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## Near East/South Asia Report

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21 August 1984

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SYRIA BACKS UP BEIRUT GOVERNMENT

Paris AL-MUSTAQBAL in Arabic No 382, 16 Jun 84 p 16

[Article by Marwan al-Mahayini: "Complete Syrian Support for the Lebanese Government"]

[Text] Syrian circles have envinced their satisfaction with the fact that the Lebanese government won the confidence of the Chamber of Deputies last Tuesday, since they see in the vote of confidence a step that will help the government of national unity begin to deal with the Lebanese situation in all its aspects, such as security and internal, Arab, and international policy. The government can now begin to use the means available to raise the subject of the unconditional Israeli withdrawal from Lebanese territory, on the basis of Security Council resolutions 508 and 509.

Official Syrian sources indicated that the on-going security explosion in Lebanon had not surprised Damascus. Neither has it been surprised by the obstacles being placed in the way of the national unity government. Damascus took it for granted that some forces would not stand idly by as attempts to rectify the situation in Lebanon were underway. These sources also indicated that Damascus considers some of what is currently going on in Lebanon to be the natural result of the years of bloody fighting and the Israeli invasion, as well as the interests and connections that are based on these factors. Moreover, the unbeneficial methods of dealing with some problems and conflicts have made the current task of reform and rectification complex and difficult, though not impossible by any means.

AL-MUSTAQBAL has learned that the subject of Lebanon headed the agenda during the talks held by UN Secretary General DeCuellar, Hafiz al-Asad and Syrian officials. The Syrian side was eager to concentrate on the point that the Israeli withdrawal from Lebanon is a fundamental and essential step needed to improve the situation, both in Lebanon itself and in the region. The possibility was mentioned of returning to the armistice agreement signed by Lebanon and Israel, under the supervision of the United Nations, and of returning to Security Council resolutions 508 and 509. The Syrian side also pointed out that it was impossible to draw any comparison between the aggressive Israeli military presence on the ground in Lebanon and Syria's performance of its legitimate national and pan-Arab duty in Lebanon.

According to sources close to the DeCuellar talks in Damascus, the secretary general expressed his conviction during the talks that, "Israel's withdrawal from Lebanon is fundamental and essential." He promised that the international organization would make every possible effort to help Lebanon solve its problems.

A prominent Syrian source summed up for AL-MUSTAQBAL the Syrian position on the current situation and developments in Lebanon in the following major points:

1. Syria is giving unlimited support to the government of national unity in Lebanon. Syria sees in this government the instrument capable of achieving the desired national reconciliation.
2. Syria considers the current deterioration of the security situation to be a development that serves the American-Israeli plans and strikes a blow at the process of national reconciliation.
3. The first national task must now be to direct all attention toward the goal of removing the Israeli invaders from Lebanon.

It is no longer a secret that Syria has tried very hard in the last few weeks to help Lebanon overcome the obstacles standing in the way of its national government. It is still doing so.

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ARABS RECONSIDER ROLE OF PRIVATE SECTOR

London AL-HAWADITH in Arabic No 1438, 25 Jun 84 p 53

[Text] Signs currently collecting on the horizon indicate that the rest of the 1980's will witness great growth in the magnitude of the private sector and its activity in the Arab world. This will happen both in countries with directed economies and in those that follow free market economics.

In Bahrain and the United Arab Emirates (UAE), detailed studies are currently being prepared for the establishment of stock markets in order to regulate trading in shares and bonds and to increase confidence in the available channels of investment. The absence of investment alternatives has previously led to stock speculation, both in secret and publicly.

One of the main steps taken in Saudi Arabia has been to have the private sector take part in the development of industry. This has been done by letting the Saudi Basic Industries Corporation (SABIC) offer general shares to the public. This company was founded in 1976 with public capital in order to develop industries that depend on oil and mineral resources. Recently, some 20 percent of its stock was offered for general subscription in the countries of the Gulf Cooperation Council (GCC). The goal is to float 75 percent of the company's shares.

The Saudi 5-year plan for 1985 to 1990 calls for selling most of the stock in the Petromin Corporation, which markets a large portion of the country's oil products.

The government is also encouraging the National Industries Corporation, which was set up by Saudi businessmen in order to develop private, intermediate industries. Some 60 percent of its stock will be offered to the public this year. In addition, countries with guided economies have shown marked interest in strengthening the private sector, although this has been kept within certain frameworks so far.

In Iraq, the government has permitted private corporations to invest in the agricultural sector for the first time in 25 years, since agricultural reform laws have forbidden the investment of foreign capital in agricultural projects.



At the beginning of this year, the Iraqi government signed almost 300 contracts with private Arab and Iraqi corporations for the establishment of large farms in the south and north of the country. Their combined area is estimated to be about 187,000 hectares. The Iraqi government will provide these farms with water, machinery, and labor, as well as other facilitations for the growing of cotton.

In both Egypt and the Sudan, the authorities have announced that the integration fund is prepared to contribute to integration-oriented projects in participation with the private sector in both countries, as well as foreign capital.

Moreover, the Egyptian minister of agriculture has announced that the way is open for investment by the private sector in land reclamation projects in the Sudan. No limits or obstacles will be imposed. The minister has also announced that the Egyptian Ministry of Agriculture is prepared to undertake studies of economic benefit for the agricultural projects the private sector in the two countries may desire to establish. It is also prepared to finance these studies.

In Algeria, the government introduced fundamental reforms in the economic system 4 years ago. These reforms had the effect of reorganizing the public sector. In addition, they granted broader freedom of movement to the private sector. The Algerian development plan focuses on giving absolute priority to the expansion of agricultural output and the modernization of the traditional sectors. It has been decided to carry out broad structural reforms in the agricultural sector during the 5 year period so that it will be transformed gradually into smaller units. The ownership of additional land will be transferred to individuals from the private sector. An individual will be permitted to bequeath the land he acquires from the government to his descendants in contrast to the rules currently in effect, which prohibit the enjoyment of this right by farmers on government farms.

Moreover, a group of resolutions adopted at the recent congress of the National Liberation Front has emphasized the need to let the private sector play a broader role in the economy of Algeria. The congress decided to strengthen the participation of the private sector to a greater degree in a number of fields, of which the most important are business, trade, light industries and commerce, in addition to agriculture. The government will provide developmental facilitations in order to help businessmen in the local private sector develop the role that they play. In the industrial sector, private investors will be allowed to contribute to industrial projects in the light industry sector.

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**ARAB BANKER DISCUSSES FINANCIAL PROBLEMS, OBLIGATIONS**

London AL-HAWADITH in Arabic No 1438, 25 Jun 84 pp 59-60

[Interview with Anwar al-Khalil, chairman of the board of the Arab Banking Federation: "We are Working To Develop an Institution To Insure Arab Investments Against Political Dangers"; date and place not specified]

[Text] "We must take great care to qualify and train the personnel who will have to grasp the reins of affairs and take over the centers of responsibility in the banking sector. They must be able to make and analyze correct decisions in a scientific fashion and draw up precise plans for the future. We must develop our sector with scientific leadership cadres capable of casting off western hegemony over the Arab nation, so that exploitation will come to an end and subservience will melt away, while manipulation and provocation will disappear, according to our nation's capabilities. We will invest more funds inside the borders of the Arab countries, though this may sometimes bring a lower return than investing them outside the Arab countries would."

These principles can be found in some of the paragraphs of the speech read by Lebanese banker Anwar al-Kahlil at the meeting of the Symposium on Cooperation Between Arab National Banking Associations and the Arab Banking Federation, which was held in London during the first half of May. He delivered the address in his capacity as chairman of the board of the Arab Banking Federation.

In a comprehensive interview, the third episode in a discussion AL-HAWADITH began with Mr 'Adnan al-Qassar and Mr Antoine Shadir, Anwar al-Khalil, the chairman of the board of the Arab Banking Federation, helped to define the situation of the Lebanese economy and the Arab economy, the situation of the banks, their capabilities, and the projects underway to develop them.

In the beginning of the interview, al-Khalil talked about the goals and results of the Arab Banking Federation conference in London. He said that the London meeting had taken place on the occasion of the 24th meeting of the board of directors and the 10th meeting of the general assembly. These are annual meetings held in various countries. He said, "We selected London this year for numerous reasons, the most important one being that it is a very important financial center. As representatives of Arab banks, we have

been eager to prevent a limitation of our interests to the Arab world. Instead, we have extended them to include London and other places, since Arab banks are spreading out and founding branches all over the world."

[Question] What are the most important issues that were discussed at the London conference?

[Answer] At the meetings of the federation, we discuss all the subjects having to do with its goals. The basic goal of the federation is to do anything that will facilitate Arab banking activity and encourage cooperation and interaction with other banks, in addition to developing banking activity. This includes matters of law, the area of cooperation with official institutions, and the other aspects that contribute to the development of Arab banking activity.

Many things indicate the existence of a kind of working cooperation between the private banks and the official monetary institutions in the Arab states. The latter undertake complete cooperation and play the role of observing members in the Arab Banking Federation. This increases the importance of the federation appreciably in various areas and creates a kind of working cooperation between the private banking institutions and the official organizations that produce banking and monetary legislation and rules. Thus, the meetings of the federation are held with the participation and attendance of the chairman of the board of governors of the central banks, who occupies the position of observing member. This year, the position was filled by the governor of the Central Bank of Bahrain.

[Question] How do the Arab banks cooperate with each other? What are the most important foundations of this cooperation?

[Answer] One must recognize the existence of a great insufficiency in the area of cooperation among Arab banks. In other words, I say that if we have, for example, paper credit which must be verified in an Arab country, the concerned Arab Bank generally rushes to verify the credit through a foreign bank despite knowing that if resort is made directly to an Arab bank, many currencies will be available and such contract can provide facilitations not to be had via cooperation with foreign banks.

There are other aspects, including the changes in terminology from country to country, the freedom to deal in foreign exchange, the freedom of banking activity, and the potential for obtaining special facilitations between Arab banks. Everything having to do with banking is fundamental to the work of the Arab Banking Federation.

[Question] What did you discuss in London, and what was achieved?

[Answer] We had an agenda whose articles had been subjected to study and discussion. At the conference, we began by studying the possibility of using Arab funds to serve the Arab people.

When we talk about using or investing Arab funds in the interest of the Arab people, we mean human activity in all sectors. We are interested in reaching an excellent level in terms of qualifying and training new generations of bankers who will be able to further the development of this sector.

With regard to talking about some details, it is very important to hold conferences and exchange views and experience in order to bring our orientations and goals closer together. All this activity enters under the heading of the general concept we have, the goal of which is the development of the Arab people.

The funds are there. The important thing is to possess the capability to determine how much is available, what the sources are, and what kind of projects can be executed with it. In addition, we must determine the benefits each project will provide within the framework of the conception to which I alluded. This conception is based on planning the construction of an integrated society. Construction means choosing projects and depending on complete studies of each Arab country, its capabilities, and the projects that can be implemented. If we can draw up projects and studies that bring together viable, productive projects in the Arab countries and the location of sources of financing, then we will have achieved the realization of interaction between money, projects, and development.

Of course, many obstacles and negative factors block this path. They include the absence of sufficient preconditions and the lack of interest Arab capital has in investing in Arab regions. There are numerous reasons for this disinterest. They have to do with the dangers of investing, its return, and shared and mutual fears. These obstacles must be overcome. Enough time must pass to allow for the execution of studies and the creation of suitable circumstances that will allow the reasons for these obstacles to be eliminated. Then we will be able to use all the available capabilities, modest though they may be, to produce achievements that will encourage the continuation of these efforts to reach the ultimate goal.

I explained all these matters in complete detail in the working paper I presented to the conference in London. One of the things I said was that we are still looking at matters from the point of view of the past, of generalities, and of oversimplification. In order to attain a method of treatment, we must study these things in depth.

We in the federation have divided our programs into three divisions to be executed over 5 years:

First of all, we must intensify training classes in banking in all the Arab countries in cooperation with the currently extant Arab banking institutes and the Arab national banking societies.

Secondly, we must create an integrated agency for banking information to be called the Arab Information Bank on Banking. An Arab banking guide must



be issued which will contain precise information on each bank. In this way, we must contribute to the composition of comprehensive studies concerning the Arab projects that the banking sector can finance or help to finance.

Thirdly, an Arab banking institute must be established.

[Question] Do you believe that the difference in Arab economic systems permits banks to finance projects without financial risk resulting from the pre-dominant political situation in the region?

[Answer] We can study the situations of countries with similar systems and determine the projects that can be financed there. The Arab Banking Federation is not responsible for the variation in systems. Its task is not to impose a point of view that is inconsistent with the legal and legislative situation in a particular Arab country. Rather, it must succeed incoexisting with these situations. The Arab world is full of great contradictions. To insist on working together with a certain state is an error some people fall into. We must succeed in determining the basis for cooperation with the extant situation without making errors of estimation or execution.

[Question] What do you think about the approaches that were discussed at the Arab conferences held recently? These approaches have to do with the tendency for Arab deposits to head for foreign banks, as well as with the countries that cannot guarantee repayment of the loans they have taken from some Arab sources.

[Answer] This subject has to do with the slogan that is studied in the federation: "The use of Arab money to develop and serve the Arab people." We have no correct and final figures on the funds that are invested in the Arab world and those that are invested outside it. Even today, we have no figures on the blocks of Arab funds that may have been moved from Arab banks to foreign banks. Figures are important to the discussion of this subject, because the preparation of financial investment plans requires understanding and knowledge of how to assure the value of the funds. The same is true with respect to creating an atmosphere favorable to the investment of funds in Arab projects.

Of course, we support the orientation I referred to in response to your question, which had to do with the investment of Arab money in Arab banks and projects. This is because this method is safer for the owners of the funds than unsecured loans to non-Arab countries that are made in vain and fail to be repaid for a variety of reasons resulting from the material and political situations of these countries. However, in order to attain this goal, we must have comprehensive and clear studies, correct figures, and well-studied projects, in order to assure the preconditions for investment.

[Question] Deposits in Lebanese banks have reached 57 billion Lebanese pounds. Nevertheless, the absence of political and security-related stability



in Lebanon and many other Arab countries is preventing Arab money from being invested in any field. How is it possible to execute projects and studies in the midst of such an atmosphere. How can Arab capital be convinced to remain within the Arab fold?

[Answer] This is an important question. In response to it, let me say that there is no doubt that it is difficult to convince the owners of private Arab capital to invest it without fear in such a situation. However, at this stage, it is necessary to create a steadily growing tendency to so, in keeping with the potential and situation of each Arab country.

In the worst of cases, an unstable security situation such as that in Lebanon might lead to a delay in repayment. However, is it not better for repayment to be delayed than for the money to be lost once and for all, as has happened in some countries of Latin America, where neither the loans nor the interest payments are being paid?

It is true that Lebanon is experiencing trouble in terms of both politics and security. However, the economic situation in Lebanon is sound, in financial and monetary terms. It is a country that does not bear the burden of any external debts. If we can coexist with the extant security dangers and invest money in limited and acceptable shares, we will have reaped all the benefits of Arab financial investment in the region while assuring that the investments will return to their owners, without incurring any risks similar to those we suffer from abroad.

Thus, I think that it is essential to develop the Arab institution for insuring investments, in order to guard against political risks. In so doing, we must concentrate on providing technical studies that will encourage the investment of Arab funds in Arab areas.

[Question] Do you have statistics on the value of the Arab funds threatened with loss outside the Arab region?

[Answer] We will have such statistics in 2 months, at the latest.

[Question] Are there not international guarantees for funds invested abroad?

[Answer] There are no guarantees, with the exception of the rules of the countries that obtained the loans. They are not enough.

[Question] What can you tell us about the studies on the issuing of an "Arab credit card" for individuals similar to the American, European, and internationally used credit cards?

[Answer] The Arab Banking Federation has set up a specialized company called the Arab Financial Services Corporation, which has adopted the idea of Arab travelers checks and an Arab credit card.

The first stage began with the establishment of the company, which is composed of 60 Arab banks. The company has a capitalization of 30 million dollars,

and its headquarters is in Bahrain for now. At the end of this year, Arab travelers checks will be issued. They will be accepted initially in all the Arab banks, as well as their branches abroad. In subsequent stages, they will be accepted at all international financial institutions.

At the end of 1986, the Arab credit card will be brought out.

In order to estimate the importance of this dawning Arab project, we need only know that about \$3 billion dollars a year of Arab money is handled in the form of travelers checks. In the next 10 years, this figure will reach \$8 billion for the Arab world.

[Question] How do you view the rumors that are attempting to detract from the Lebanese currency, banks, and economy?

[Answer] There is no doubt that the Lebanese economy has been exposed to successive shocks. Consequently, it has been greatly weakened. In Lebanon, numerous sectors have been destroyed. The industrial sector has been largely destroyed, while the tourism sector has stopped functioning totally. Commercial activity has gone on, though weakened. The banking sector is still active despite these successive shocks. It carries out its responsibilities in a basic fashion.

In essence, the rumors you refer to were born of the fact that a Lebanese bank faced some difficulties. These things can happen in any country of the world, for what occurred had no connection with the banking situation. Rather, it had to do with the kind of administration the bank was under and the improper banking attitude of that administration. The same thing happened in Switzerland 2 years ago. The Swiss banking situation was not affected at all by what happened then.

This means that there will always be dangers in our world, as well as deviations from the rule. The fact that the Lebanese banking sector quickly absorbed the problem I have referred to offers great proof of the soundness of the situation of the banking sector in Lebanon, despite all the difficulties engendered by the deteriorating political and security-related situation.

We hope that the deteriorating state of affairs in Lebanon will not last long, since the banking institutions reflect the situation in the market. If pressure continues to be exerted on the situation, this will doubtlessly weaken the institutions.

Until today, the Lebanese banking situation has remained sound overall. Indeed, by the end of 1983, deposits had increased by 24 percent in comparison with 1982. This figure means something in a country that faces a destructive war every day. It indicates the degree of confidence Lebanon enjoys.

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## EXPORT STATISTICS EXPLAINED

Tel Aviv HA'ARETZ in Hebrew 9 Jul 84 p 10

/Text/ Seasonally-adjusted calculations (excluding diamonds, ships and planes) show that in the second quarter, April-June, exports were six percent per month lower than in the first quarter.

Net exports in June reached \$410 million, of which \$308 million were industrial exports (excluding diamonds), \$16 million agricultural exports and \$87 million diamond exports. In June of 1983 exports reached \$406 million. In other words, there was a one percent increase in exports in June 1984 compared with June 1983.

Data excluding seasonal influences (and diamonds, ships and planes) show that June 1984 exports were 10 percent higher than May 1984 exports. Details were released by spokesmen of the Central Agency for Statistics, based on interim figures which do not include trade with Judaea, Samaria and the Gaza Strip.

In the first half of 1984 net exports reached \$2.693 million, compared with \$2.452 million in the same period in 1983--an increase of close to 10 percent. The increase stems from a 14 percent rise in industrial exports (excluding diamonds) and a 3 percent increase in diamond exports, whereas agricultural exports (including citrus fruit) declined by 1 percent.

Industrial exports (excluding diamonds) reached \$1.797 million in the first 6 months, compared with \$1.575 million in the same period in 1983, or an increase of 14 percent.

Conclusions of the Central Agency for Statistics reveal that only in the mine and mineral industries was there a decline (up to four percent) in the first half of the year. Other components of industrial exports show increases: food, beverages and tobacco--29 percent; chemicals, rubber and plastics--20 percent; wood, paper and printing--15 percent; other industrial branches, which include mainly scientific instruments, optical products, gemstones and jewelry--14 percent; metals, machinery and electronics--12 percent; textile, clothing and leather--10 percent.

Diamond exports reached \$529 million in the first 6 months, compared with \$514 million in the same period in 1983--an increase of three percent.

Agricultural exports (including citrus fruit) reached \$335 million in the first half of 1984, compared with \$338 million in the same period in 1983--a decline of one percent. Exports of citrus fruit reached \$103 million compared with \$136 million in the same period in 1983--a decline of 25 percent. All other agricultural exports increased by 15 percent, from \$202 million to \$232 million.

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CSO: 4423/65

## INTEREST RATE REACHES 1,560 PERCENT

Tel Aviv YEDI'OT AHARONOT in Hebrew 9 Jul 84 p 23

/Text/ The decision by commercial banks to increase again the interest rate they assess their customers may result in a record effective annual interest rate of 1,560 percent! This is what turns out after examining the decision by Bank Le'umi to raise its interest rates by 1.75 percent, starting Wednesday of next week.

After this raise, the nominal interest rate per month will be approximately 16.5 percent. It should be pointed out that most customers do not pay the basic interest rate for the line of credit accorded to them, but a higher rate which will not be between 16.5 and 19 percent monthly.

Exceeding the line of credit will now cause the imposition of an additional 4.5 percent per month, thus reaching 21-23.5 percent per month.

Calculations made for YEDI'OT AHARONOT by financial adviser Asher Knipel show that effectively (when a nominal rate of 19 percent is taken into account) when the line of credit is fully utilized, the effective interest will reach per year 800 percent. With an average utilization of 60 percent of the line of credit (which is the market average) the effective interest rate will reach approximately 850 percent per year.

Anyone who may be forced to exceed the line of credit will pay an effective annual rate of 1,159 percent, if the amounts over the line of credit are utilized from the 1st day of the month. If the line of credit is exceeded only in the last days of the month, the annualized interest rate may reach 1,560 percent.

Such high interest rates, which are unlike any in the world, may increase inflation in coming months to rates of more than 20 percent per month, since businessmen will be forced to pass these higher financing rates to their customers.

The result will be a vicious circle where the interest rates will become unrealistic in view of inflation and the banks will again be forced to raise interest rates in order to make them more realistic.



**NAVY WARNING SYSTEM DESCRIBED**

Tel Aviv MA'ARIV in Hebrew 4 Jul 84 p 12

/Text/ There is a new warning system in place along Israel's coastal line.

The navy commander, Rear Adm Ze'ev Almog, who disclosed this on 3 July at a news conference held to mark Navy Day, stressed that Israel implemented the system, among other reason, as a lesson from the terrorist infiltration to Nahariya. A small boat, with four terrorists, managed to dodge a navy patrol one-half kilometer away.

The navy and engineers of the defense industry are designing a new missile boat of the Saar 5 series, as well as new naval weapons.

The navy commander said that these systems are vital for the navy's warning capability in the nineties, in view of the strengthenin of the Arab navies. Financing for these projects is now under discussion in the defense system. He voided his hope that the necessary resources will be allocated on time.

The future Saar 5 boat is being designed by engineers of an American firm which builds warships, in cooperation with navy engineers. The design is made based on research, specifications and technical details set by the navy. Construction will be done with American aid.

According to plans, Saar 5 will be equipped with Vulcan-Phalanx gun systems and state-of-the-art warning systems.

Rear Admiral Almog stressed that Israel is now at the beginning of an era in which naval warfare is undergoing significant changes. For the first time ever Israel is seriously threatened from the sea. This is so because of the new technology typical of naval systems, primarily sophisticated missiles capable of being aimed very accurately and from large distances. Arab navies--added the navy commander--have grown tremendously and by the end of the decade there will be more than 100 missile-carrying gunboats in the Mediterranean, all of which will be capable of reaching Israeli territory and hitting it.

Rear Admiral Almog revealed that at the beginning of 1979 the navy intercepted a ship by the name of "Stephanie" on which a terrorist unit was discovered. The terrorists were planning on infiltrating Israel and planting a bomb on the

day that the prime minister was to return from signing the peace treaty with Egypt. Thanks to the navy's alertness no terrorists have been able to infiltrate since 1979.

Rear Admiral Almog sees the Syrian and Libyan navies as the most threatening to Israel from the sea. Saudi Arabia to date has 13 missile boats equipped with Harpoon missiles and Vulcan-Phalanx guns. It has under construction in France four more 2,000-ton gunships which are designed to carry helicopters. Saudi Arabia will have no problem getting forces through the Suez Canal with the Egyptians looking the other way. Libya has more than 30 missile carrying gunboats which can reach Israel while using docking facilities in Syria. Even the Egyptian Navy has grown considerably, and if Egypt joins forces against Israel, she will pose a real naval threat.

As to terrorist naval capability, said Rear Admiral Almog, they now have more naval equipment than they had before the 1982 war.

8646

CSO: 4423/65

## BRIEFS

**TOURISM AGREEMENT WITH FRANCE**--A tourism agreement between France and Israel was signed following a June visit to Israel by French Tourism Minister Roland Craz. A committee of experts of both countries will present its recommendations for implementing the agreement to the next meeting of the joint French-Israeli economic committee. The main items in which both sides shows interest are:

- 1) French investments in Israel in the tourist industry--hotels, motels, restaurants and entertainment centers.
- 2) Cooperation to promote tourism to both countries from other countries. On this issue France expressed willingness to increase tourism from the United States and the Far East to both Europe and Israel. Approximately 200,000 Jewish tourists come to Israel annually. A stopover in France, on the way to or from Israel, is of high potential to France.
- 3) Buildup, promotion and development of tourism for medical reasons. France expressed willingness to promote investments and to send experts on this issue to Israel.
- 4) Development of scientific tourism. France expressed willingness to exchange tourist groups with professional interest in sophisticated industries, whose number may reach a few thousand per year. In 1983, 130,000 French tourists came to Israel, constituting 12 percent of tourism to Israel and 25 percent of tourism to Europe. In 1984, 140,000 French tourists are expected, 35 percent of whom will be coming on a pilgrimage. /Text/ /Tel Aviv DAVAR in Hebrew

9 Jul 84 p 7/ 8646

CSO: 4423/65

## WEST GERMANY TO ASSIST IN HYDROLOGICAL STUDIES

Amman JORDAN TIMES in English 28 Jul 84 p 3

## [Text]

AMMAN (J.T.) — West German and Jordanian teams are currently conducting hydrological studies at Lejoun, southern Jordan, to pave the way for a feasibility study on the exploitation of oil shale from the region.

The teams are from the Natural Resources Authority (NRA) and the West German Geological Survey Service. A NRA spokesman said that the studies are a follow up of those conducted nearly two years ago whose results proved encouraging.

In the light of previous studies, he said, the two sides decided to continue research and to carry out detailed studies aimed at determining the water supplies required for the project. The studies also entail research on the type and amounts of reserve shale and the prospect of its exploitation, he added.

The NRA and West Germany will also co-operate in preparing a

detailed study on the geological, engineering and mechanical aspects of soils and rocks in all areas where roads, public buildings and towns are being built, the spokesman said. He added that the project, expected to take five years to complete starting in 1985, is one of the most significant projects undertaken by the NRA and the first of its kind in the Arab World.

The project entails conducting detailed studies on the characteristics of soil and rock which serve as the foundations for roads and public buildings in order to avoid areas where landslides are likely to occur, the spokesman said.

According to the spokesman, the study will cover various towns and villages, main roads and installations as well as dams and bridges in the country. The aim of the project is to gather precise information about the nature of the

ground on which buildings and roads are to be built or have been built.

He said that the West German government will supply excavators and other equipment needed for the project and for the testing of soil and rock.

CSC: 4400/301

## CIVIL SERVICE COMMISSION DIRECTOR ON JOBS FOR GRADUATES

Amman JORDAN TIMES in English 22 Jul 84 p 3

[Text]

**AMMAN (J.T.) — Civil Service Commission (CSC) Director Ali Khreis has called on the government to re-consider the scholarships system and to introduce amendments in order to cope with the present employment situation in the country. He said that the government has become unable to absorb the great number of people who are committed to serve in government departments in accordance with previously arranged commitments and contracts and this calls for a re-examination of the system.**

Mr. Khreis also complained that some ministries do not co-operate with the CSC in appointing new graduates who are committed to do service for the government.

An annual statistical report issued by the CSC in Amman has revealed that the number of female Jordanians submitting applications for jobs in government departments during 1983 was double that of males. The report also stated that most of the applications came from graduates of community colleges in the country.

According to the report, a total of 8,733 applications were received by the CSC last year, 61.82 per cent from female and 38.18 per cent by male job seekers. It also said that 51.26 per cent of the applications came from com-

munity college graduates and 30.16 per cent from university graduates.

Commenting on the report, CSC Director Ali Khreis said that more females have applied for jobs because there has been a great number of community college female graduates recently. Female applications are greater than males because many male graduates are being absorbed by the private sector in Jordan and abroad and also because many male graduates have to do their national military service as conscripts, said Mr. Khreis.

Regarding the large number of applications coming from community college graduates Mr. Khreis said this is due to a noticeable and unjustified increase in the number of private community colleges in Jordan and the restrictions imposed on school graduates by universities which limit the number of students accepted by these universities. Also the high cost of university education which most school graduates cannot afford is another factor, he said.

Mr. Khreis attributed the large number of female job seekers to

the fact that the country has recently witnessed large strides in social progress and employment of women has been on the increase. In addition, the high cost of living is forcing women to seek jobs to raise the family's income, he added.

Asked why university graduates are not as keen as community college graduates to get government jobs, he said that a university degree qualifies a person for better opportunities in the private sector both here and abroad.

According to Mr. Khreis, government departments offer more jobs to female graduates than to males because they are not required to do national military service and the number of female applications is higher than males. Also many of the female graduates are committed to work for the government in accordance with a previously arranged contract, Mr. Khreis said.

In 1983, 813 persons resigned from government jobs of which 60.89 per cent were male because males are more liable to find jobs in the private sector than females, Mr. Khreis concluded.



## DROP IN TOURISM NOTED

Amman JORDAN TIMES in English 8 Jul 84 p 4

[Article by Fahad Fanak]

[Text]

OWING TO regional and international circumstances, and the dragging of an endless war in the Arabian Gulf, and the civil strike in Lebanon, tourism to Jordan has taken a beating, which is felt badly by our deluxe hotels, whose occupancy rates dropped, and the national air carrier Alia, whose load seat factor plunged painfully.

The lower utilisation of the tourist facilities in the country hurts the economies of these units because the idle assets are costing a lot while producing nothing.

Major hotels in Amman and Aqaba posted heavy losses last year. On the other hand Alia, the Royal Jordanian Airline, which used to make money every year since 1973, suffered a moderate loss in 1983.

The statistics of arrivals are not indicative of the real tourist activity in the country. Arrival figures include incoming foreign labourers, transit passengers coming by sea to Aqaba on their way to Iraq, Syria, or Lebanon and back, and the thousands of hajj groups travelling to Saudi Arabia and back, all of which have, nothing to do with tourism and what it entails in expenditure.

Incoming tourism is supposed to generate receipts in foreign exchange in the order of JD 180 million in 1983, of which less than 40 per cent, or JD 70 million, is the value added, or the contribution to

the gross national product (GNP).

Outgoing tourism costs Jordan around JD 160 million in foreign exchange, which can absorb the full proceeds of all the national commodity exports.

Apparently, tourism is not sufficiently appreciated by our decision makers, and accordingly is not given a high position in the scale of priorities.

Tourism Directorate (or Authority) was never settled at the government organisation chart. It was at one time a ministry, at another a department combined with Antiquities Department, then attached to the Ministry of Culture and Youth and finally has been made to report to the minister of industry and trade, who will eventually be able to spare the time to look into its problems and hopefully give his advice.

Financial resources allocated to tourism are minimal and could not finance marketing and publicity campaigns abroad or pay for the facilities and provide the badly needed services inside.

We do not claim that tourism is more important than industry, mining or agriculture; we simply say that tourism is an important productive sector, which can be properly classified as an export activity. Tens of millions of JD's were invested in the form of hotels, airplanes, and other capital

intensive facilities, and accordingly deserve more attention from the authorities.

It is worth mentioning here that, so far, no study has been made in Jordan to establish the value added of the tourism sector. Many think of the volume of foreign receipts as a contribution to the national income, and conclude that the tourist sector is too large to need further support from the government.

A preliminary exercise conducted by myself, and based on a study of the financial statements of two five-star hotels in Amman and one in Aqaba, Alia, JETT company and a souvenir shop as a representative sample, revealed that the value added in these institutions in the form of wages to manpower, remunerations to management, profits to owners, interest to banks, rents to land lords and taxes to the government, was hardly above 35 percent of the gross receipts.

Awaiting more thorough and accurate study, we reckon that the contribution of tourism by way of value added to GNP in Jordan is in the tune of five per cent only, which, I claim, is a long way below the potential of the country, and means that something could and should be done about it before it is too late.

## ALIA AIRLINE'S FINANCIAL PROBLEMS ANALYZED

Amman JORDAN TIMES in English 22 Jul 84 p 4

[Article by Fahed Fanek]

[Text]

FOR TEN years 1973-1982 Alia, the Royal Jordanian Airline, was profitable, and its management was always called upon by the press for justification and explanation. Journalists wanted to know why Alia was able to make money while other airlines were losing heavily!

It might look ironic that Alia lost money in 1983 (\$2 million) when some airlines were making a fascinating comeback to profitability. British Airways made \$500m, Lufthansa \$23m, Alitalia \$10.7m, Qantas \$51.6m in 1983.

Well, Alia was by no means the only profitable airline in the world as some people used to assume, and will not be the only losing airline at any time.

In fact profitable airlines were always around even when the world economic recession was at its bottom. By the same token losing airlines will always be abundant, even when the business boom is at its peak.

Markets are crucial to the profitability of an airline but

the management's attitude towards the ever-changing markets are more important: Deciding on the type and number of aircraft to be acquired, routes to be launched, frequencies to be operated, prices to be offered and quality of service to be provided are more crucial to the final bottom line in the income statement of any airline, whether run as a flag carrier for national prestige considerations, or as a professional airline for economic and social purposes, or for both contradicting objectives as Alia is supposed to operate.

The relative stability in Jordan, and the unprecedented business boom in the Middle East region made it possible for Alia to embark on a very aggressive expansion plan, which transformed Alia in 10 years from an airline operating 4 small aircraft and carrying 140,000 passengers a year, into an international carrier with a fleet of 17 aircraft more than half of which are wide-bodied aircraft, carrying 1.5 million

passengers on the largest unduplicated net work of any Arab airline, spanning Singapore in the Far East and Los Angeles in the Far West, a compound growth of over 30 per cent a year.

Economics of scale helped Alia tremendously. You can afford to employ more national and foreign staff, borrow more local and Eurodollar loans, and incur more variable and fixed expenses if your regular and other revenues are growing ahead of any rate of cost increase.

For the first time in 10 years Alia posted a loss in 1983 amounting to half per cent of its yearly business turnover. The importance is not attached to the amount lost, JD 727,000, which is negligible compared to gross revenues of JD 125 million. It is the trend that calls for concern.

Alia did not change in 1983. The fleet, the routes, the destinations, and the prices continued to be almost the same. The change nevertheless took

place in the environment of Alia in the Middle East. While world's economy was recovering, economic recession deepened in our part of the world and caused Alia to show a negative growth in revenue for the first time in a decade.

Following are certain changes that hit Alia and affected its growth and turned it from profit-making to losses:

1. Beirut Airport was closed most of the time and thus Alia lost the Lebanese business, not only on Beirut-Amman route but on the USA and European routes as well.

2. Iraqi traffic dropped. In Baghdad Alia was forbidden from selling to any point beyond Amman. This amounts to an embargo on Amman being used as a gate or transit point from or to Baghdad. Alia's sales in Iraq plunged to only 10 per cent of their previous level.

3. Egyptian labour traffic to Iraq and Syria via Jordan also dropped to 50 per cent of its previous level. This is a very

high yield traffic, if you relate the price paid by the passenger to the distance flown.

4. The travel to Gulf states was restricted as Arab nationals can no more easily obtain a visa for a visit.

5. The dollar continued to strengthen. Loss of exchange on Alia's dollar loans amounted to JD 5.3 million in 1983 and was recognised in the accounts.

6. Protectionism represented by restrictions on traffic rights and market entry continued to prevail.

Alia management is currently in a re-assessment stage. Should it tackle these problems on the assumption that they are temporary, and accordingly continue to push forward with its expansion plans, or should it take the economic slow down in the Middle East, and the political turmoil in the Gulf, and the situation in Lebanon as dragging problems to live with for the time being, and accordingly cut to size its operations, fleets and activities sta-

rted with marginal routes.

Should it grow or shrink as a strategy of facing the present problems in some of its traditional markets, which are getting stagnant and more restricted.

Alia management is known to be highly flexible and responsive to changes. A decision on the best course of action should be forthcoming soon. The decision to continue growing can be risky, and the decision to shrink is painful and not without risks either.

The inauguration of new long haul routes to Chicago, Los Angeles, and Singapore is not an exclusive evidence that Alia has opted for more expansion no matter what, because these routes were part of the operating plan.

Alia is now on the cross roads, and the difficult decision has to be made soon. It remains to be seen whether Alia will opt to continue on its growth pattern and turn around to profitability or be pushed into a shrinking policy.

## BRIEFS

**FOREIGN CURRENCY RESERVES--AMMAN (J.T.)**—Jordan's reserves of foreign currency increased considerably in May to reach an unprecedented level since the beginning of the year. A statistical bulletin issued by the Central Bank of Jordan said that these reserves increased by JD 44.274 million in May over the balance figures in the previous month to become JD 593.979 million. The report said the increase in the reserves is mainly due to financial assistance to Jordan from other Arab countries. But it said at the end of 1983, the reserve figures stood at JD 684.645 million. The worst figure this year was in April when it stood at JD 559.705 million the bulletin added. [Text] [Amman JORDAN TIMES in English 17 Jul 84 p 3]

CSO: 4400/301



RELATIONS WITH JORDAN ANALYZED

Nicosia ~~PALASTIN~~ AL-THAWRAH in Arabic 2 Jun 84 pp 10-12

[Interview with Brig Gen 'Abd-al-Razzaq al-Yahya, PLO Executive Committee representative in Amman, and 'Ala'-al-Din Husni, PLO Office charge d'affaires: "Full Diplomatic Status for Organization's Office and Facilities for Badr Forces; Reality of Palestinian-Jordanian Relations"; in Amman, date not specified]

[Text] All view, each from his own angle, Palestinian-Jordanian relations as extremely important and sensitive. This is true. But this relationship is not without its problems, and at times its sensitivities. The problems are solved gradually and the sensitivities are taken into consideration. In this entire movement, it is difficult to disregard the brotherhood and the common destiny, even in every administrative measure.

Brig Gen 'Abd-al-Razzaq al-Yahya, the PLO Executive Committee representative in Amman, and 'Ala'-al-Din Husni, the PLO Office charge d'affaires, discuss this relationship.

Throughout the past year, Jordan's positions have been characterized by a distinctive quality. In the battle of the Arab attack on Palestinian legitimate authority, Jordan has stood by the PLO and against the coup-oriented, the rejectionists, those who support them and those who take part with them or stand behind them secretly or openly.

When brother Abu 'Ammar was present in Tripoli under the dual Syrian-Israeli blockade, King Husayn invited him to visit Jordan and Abu 'Ammar responded to the invitation upon emerging from the blockade.

Observers and those who keep up with developments have been surprised by the Jordanian position, especially in the wake of the disagreement which developed between Jordan and the PLO upon suspension of the talks between them in April 1983.

Phase of Agreement and Joint Coordination

So what are the starting points for this distinctive position?

Brother Yasir 'Arafat, the PLO Executive Committee chairman, has said in Amman: "We have held talks in Amman and have reached agreement in the first phase of these meetings which started after our departure from Beirut.

"We agreed on all the details from the outset. But we have to have continuous meetings to coordinate and exchange viewpoints.

"We have gone beyond the question of talks and we are now in the phase of agreement and joint coordination."

Ahmad 'Ubaydat, the Jordanian prime minister, said in an interview with Jordanian television on 12 May 1984:

"The Palestinian-Jordanian relationship is distinctive because it has its well-known significance in our Arab world," adding "This relationship has been focusing on a future visualization of the equal and balanced relationship that should be established between Jordan and the Palestinians after liberation."

Now that the relationship has reached the above-mentioned level, it must, by necessity, have its practical applications.

#### 'Abd-al-Razzaq al-Yahya: Practical Rejection of Reagan Initiative

In an interview with FAYASTIN AL-THAWRAH at his office in Amman, the brother Brigadier General, the general director of the PLO Political Department and the PLO Executive Committee representative in Amman, has said:

"It has become well-known that Palestinian-Jordanian relations are governed by a number of constant facts, namely the historical, geographic, economic and demographic factors, in addition to what the political issue dictates in terms of the common future and common interest.

"The joint statement issued at the beginning of last March in the wake of brother Abu 'Ammar's visit to Amman outlines the features of Palestinian-Jordanian relations by stressing that the PLO is the sole legitimate representative of the Palestinian people and that the joint Palestinian-Jordanian movement is founded on the Fes resolutions, nothing else. This means a total rejection of all the initiatives projected in the area, especially the Reagan initiative.

"Relying on this clear position, the Jordanian and Palestinian masses have given this relationship their confidence. It is on this basis that a large number of Palestinian strugglers have returned to Jordan. This return has required the PLO to adopt a number of new administrative measures so that the nature of the Palestinian institutional presence in Jordan may be compatible with the direction dictated by the Palestinian-Jordanian relationship, with its high levels of coordination and with the importance of developing these levels to attain a major role in restoring the bond of Arab solidarity with the purpose of waging the battle of liberating the

Palestinian land from the Zionist enemy."

Brother 'Ala'-al-Din Husni, who knows nothing of his life other than the years he has spent in the revolution, who is a member of the Lebanon Regional Command, who is one of the heroes who defended Palestinian independence in Tripoli and who is a struggler with a high nationalist, front-oriented spirit, as all the resistance factions attest, is the qualified struggler delegated by the Palestinian leadership to help accomplish the delicate task in Amman. Husni has been appointed assistant to brother Brigadier General al-Yahya and charge d'affaires of the PLO Office in Amman.

At his office in Jabal al-Husayn, where he is heavily engaged with organizing one thousand and one issues, we wrenched him away from his concerns and asked him:

[Question] Palestinian-Jordanian relations are the people's topic of discussion. What about these relations and what is in these relations? What we mean is: Has the level of these relations permitted the development of a Palestinian presence in Jordan?

[Answer] The truth is that there are two sides from different directions who are opposed to the relationship between the PLO and Jordan. One of these sides views this relationship as a capitulation and as a mandate from Yasir 'Arafat to King Husayn on the Palestinian issue and on the Palestinian people's future. Consequently, it is a ceding of the demand for the creation of the independent Palestinian state, which means being tied to the Jordanian option.

The other side sees in this relationship a future possibility of crystallizing the U.S.-Israeli solution to the Palestinian issue at the expense of Jordan.

The two sides, regardless of the angle of their opposition, meet on the point of opposing development of the Palestinian-Jordanian relationship.

The truth of the matter is that we completely reject having our agreement with the Jordanian government be concerned with the East Bank of the Jordan River. We and the Jordanians have agreed on a comprehensive issue, namely the issue of restoring the land. Any distinctive relations between us, be they confederal or something else, will be established after liberation. It is on this basis that we appreciate highly all the facilities given us by the Jordanian authorities because these facilities help us, and them, to accomplish one of the points of the program of our joint agreement.

Facilities and Avoiding [Settlement of] Accounts

[Question] But there is in Jordan a Palestinian presence by way of a number of PLO institutions. Is the size, nature and opportunities of action available to these institutions affected by Jordanian restrictions or measures?

[Answer] The PLO has a presence in Jordan. As our big brother Abu 'Ammar has said, "We are pleased and content with this presence" because we take into consideration King Husayn's truly friendly position and because we want our activity in Jordan to be light, not heavy, and not to provoke the slightest sensitivities out of our belief that we are brothers who are aware of each other's circumstances and who, at the same time, rise above providing anybody with the opportunity to provoke these sensitivities because our slogan is to maintain these excellent relations that inevitably lead us to common denominators on the path of Palestinian-Jordanian understanding.

We tell all the brother Palestinian strugglers who carry Jordanian citizenship that they are subject in all details to the dictates of Jordanian laws and regulations. Therefore, it is not our job to settle the problems individuals have which the Jordanian authorities view as incompatible with the law. However, the departments concerned in the state ministries respond to most of the requests for assistance which we make for some brothers who have their own special circumstances.

When we ask for assistance, we are careful not to allow our requests to be understood as interference because we refuse to interfere in the internal affairs of the Jordanian Government or of any other Arab government. Such intervention is in conflict with our principles and our objectives.

We have a number of institutions and their activity is being reorganized now to make it compatible with the new direction. These institutions are given facilities as part of the facilities which the Jordanian Government gives the PLO within the framework of the joint cooperation.

We have obtained a number of facilities to solve some of our administrative issues. Moreover, there is agreement on solving some problems pertaining to passports and residence. The Jordanian Government has also agreed to develop the position of the forces we have in the Jordanian arena. But a period of time is needed in this regard to make arrangements and preparations so that matters may proceed in accordance with the set plan.

On the other hand, we do not find absolute rejection on the part of the Jordanian Government toward the issues we raise, not even toward the issues on which there is no mutual agreement.

On a third point, the Jordanian Government has agreed to facilitate the movement of the members of our forces when they are on leave to visit their families. The government has also approved their entry into Jordan on military identity cards and leaves.

On our part, we will exert utmost efforts to gain further facilities and we hope to be able to enhance with the Jordanian brothers this relationship to higher levels that serve our Palestinian cause and our common Arab causes.



## Special Status for Organization's Office in Amman

[Question] What about the Joint Palestinian-Jordanian Committee to bolster steadfastness?

Before I could complete my question, the dear 'Ala' stopped me to say with a smile: Please, insofar as the committee is concerned, you have Abu Anas-- 'Abd-al-Razzaq al-Yahya--who is fully familiar with all its details. We agree to the tempting offer and then go on to ask:

[Question] What about the status of the PLO office in Amman?

[Answer] The PLO Office enjoys a full diplomatic status. Like any other Arab embassy, it has full diplomatic immunity. Though our relations are with the Jordanian Ministry of Foreign Affairs, we have our contacts with the other Jordanian ministries and their officials. Thus, our relations exceed the rigid diplomatic relationship and reflect a fraternal relationship.

The special status enjoyed by our office in comparison with the other embassies is reflected in our direct responsibility for numerous Palestinian citizens in Jordan. We also have Palestinian forces in the Jordanian arena, with their defined camps, command headquarters and specific administrative agencies and services. We further have numerous institutions and other activities pertaining to the situation of our people in the occupied land and in the refugee camps and other places.

### Badr Forces

[Question] You have said that we have military forces. Do you mean the forces that came to Jordan from Lebanon after the initial departure in August 1982?

[Answer] Yes, they are the same forces. These factors were present in Jordan originally and did not leave the Jordanian arena in 1970. They continued to stay in Jordan even though Palestinian-Jordanian relations have passed through numerous sharp crises. These forces continued to be loyal to Palestine and to the legitimate Palestinian authority, embodied in the PLO under the leadership of Abu 'Ammar. These forces, known as Badr Forces, have also maintained their military preparedness and time has proven their ability to participate in defending the revolution in the battles of Lebanon and in the Beirut and Tripoli blockades.

Even though recruitment to the ranks of these forces has been terminated at times for financial or administrative considerations, the efforts to inject them with young elements persist, considering that those required to perform Jordanian compulsory military service have the possibility to join the Badr Forces, which constitute one of the brigades of the Palestine Liberation Army, depending on the ability of these forces to absorb them.

Badr Forces have a legal person status in Jordan, the same as any of the Palestinian revolution forces existing in the fraternal Arab countries.

#### Joint Delegations

Palestinian-Jordanian relations continue to be, even though no restrictions are put on them by either Jordanian or Palestinian officials, the concern of those who observe the dynamics of the movement among the parties to the Middle East conflict.

Brother Brigadier General al-Yahya has defined the horizons of the relationship, stressing that it is a good and developing relationship in the course of his reply to our question.

[Question] Brother Abu Anas, "al-khityar" [the old man, presumably meaning 'Arafat], has said in connection with his latest visit to Amman that it is for coordination and the exchange of viewpoints and not for talks, saying in this regard: "I will carry with me the Jordanian viewpoint, as well as the Palestinian viewpoint, to China. In other words, I represent Jordan as I represent Palestine. I believe that all know that King Husayn carried with him the Palestinian viewpoint, as well as the Jordanian viewpoint, during his visit to the United States and Britain. In other words, he represented Palestine as he represented Jordan." Does this mean that the Palestinian-Jordanian relations have reached their ceiling and the limits of their horizon?

[Al-Yahya] It must be stressed that Palestinian-Jordanian relations are vital because of the vitality of the Jordanian and Palestinian arenas and of what they represent in the equation of the Middle East conflict. This is why I can assert that the horizons of the relationship will continue to be good and will continue to develop.

So that what brother Abu 'Ammar said may not seem sudden, let me say that at the meeting which took place last February agreement was reached on joint Palestinian-Jordanian diplomatic action and that it was agreed that each side would empower the other to convey its viewpoint during the political movement of each. Within this context, the statement of brother Abu 'Ammar can be understood accurately.

The objective of the agreement on the joint movement was to have joint delegations contact the European countries and the Soviet Union to present a joint visualization on what is happening in the political arena at present. But because of the development of the events in the area, the movement of those delegations was postponed indefinitely and was later given up.

As for the visit to Algiers by a joint delegation, the visit did actually take place and was connected with the financial support for the steadfastness of our people in the occupied territories. Similar delegations are supposed to proceed to other Arab countries in the next few days for the same purpose.

## Affairs and Concerns of Joint Committee

[Question] This leads us to ask about the Joint Jordanian-Palestinian Committee for supporting the steadfastness of the people in the occupied territories. What has this committee accomplished and what are its programs? Moreover, it is concluded from your words on the objective of the visits of the joint delegations to the Arab countries that the committee is suffering from financial problems. What is the true nature of these problems and how can they be solved?

[Answer] You know that the committee was formed as a result of a resolution by the 1978 Baghdad summit to coordinate the joint effort for distribution of the appropriations allocated by that summit to bolster the steadfastness in the occupied homeland.

From the time it was formed and until the present, the committee has been able to achieve considerable accomplishments. But it has continued to be unable to achieve fundamental tasks to bolster the steadfastness of the meagerness of the appropriations, considering that a number of the Arab countries concerned have not fulfilled their stipulated financial commitments.

Through practical experience, [it is evident that] bolstering the steadfastness calls for increasing the appropriations severalfold. This appeared very evidently in the wake of the inflationary crisis sweeping the Zionist entity and of the subsequent impact of this inflation on our people in the Bank and the Strip, not to mention the impact of the enemy's concerted and programmed policy seeking to weaken the mainstays of the steadfastness of the Palestinian workforce and to destroy the Palestinian economy confronting this Zionist policy in the occupied homeland.

Because of the lack of the financial resources to bolster the steadfastness, the committee's activity is almost suspended.

This is why it has been decided to send joint delegations to the Arab countries concerned, hoping that these delegations will succeed in arousing the will of these countries to fulfill their commitments.

## Working Plan and Development Budget

[Question] You have mentioned the workforce and the Palestinian economy and the need to bolster them. But you have not defined other spheres. This makes us wonder about the forms of aid advanced and about the spheres and the visualization within which they are advanced.

[Answer] We, as a liberation organization, and the Jordanian government agreed from the outset to advance the steadfastness aid within the framework of the reality existing internally [in the occupied territories] since 1978. This is because we did not have a detailed working plan, with its detailed budget covering its spending provisions.

So we had to evaluate the experience and to form a working plan according to the given facts developing among us. In the light of this [evaluation], we have been able to prepare a categorized budget, called a development budget, to develop all the aspects and to respond to whatever bolsters all forms of steadfastness in all the sectors. The spending will take place according to studies and according to priorities modified on the basis of the real situation on the ground.

These are facts in the real Palestinian-Jordanian relations--facts derived from the realities of the field as experienced by those who are concerned with charting these relations and who work to develop and enhance them.

In other words, as brother 'Ala'-al-Din, the Palestinian charge d'affaires in Jordan, has said, "As long as we work, the possibilities of the emergence of technical problems are present. But we are confident that we will overcome any problems and will, together with the Jordanian brothers, contribute with a high spirit and high responsibility to developing our relations in the direction of bolstering the Arab confrontation in the Arab-Israeli conflict and the direction of enhancing the steadfastness of our people in the occupied territories and of improving our combat capabilities.

[Box on page 12] Amman: Palestinian National Fund Meeting

[Text] For the first time in 15 years, the Palestinian National Fund has held 2-day meetings in the Jordanian capital.

Brother Hanna Nasir, the fund chairman, last week opened these meetings which were attended by 11 of the fund's 18 members. The fund includes Palestinian notables who live in exile or in various Arab countries. Khalid al-Fahum, the Palestinian National Council chairman, was one of those who failed to attend.

At the opening meeting, Hanna Nasir spoke of the financial difficulties being experienced by the fund as a result of the failure of the Arab countries to fulfill their commitments regularly. Nasir called for economy in the fund's expenditures and for trimming the budget.

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CSO: 4404/564



DRAFT OF ADEN DOCUMENT DISCUSSED

Nicosia FALASTIN AL-THAWRAH in Arabic 7 Jul 84 pp 5-7

[Article: "Because There Is No Alternative to Success and to Democracy as Final Option, Historic Step Taken on Path of Restoring PLO Unity; Holiday's Gift From Aden to Jerusalem]

[Excerpt] What Is in Procedural Agreement?

But what is in this good news and what does the procedural agreement stipulate?

The information available to us on the meeting is that the five Palestinian parties taking part in the Aden dialogue have initialled the political and organizational agreement and that these parties will meet from 5-7 July 1984 for the final signing of the agreement.

The five parties have agreed that this accord will constitute a working paper for the Comprehensive Palestinian National Dialogue Committee which the parties have agreed to form as a broader framework for action for national unity and for preparing for the PNC [Palestine National Council]. The five parties have agreed to form this committee of the PLO Executive Committee, the PNC Chairmanship Bureau and the general secretaries of the Palestinian factions. It has been decided that this dialogue committee will begin its meetings as of 16 July 1984.

The five parties have also agreed to give the dialogue a chance to set the final date for convocation of the PNC's 17th session within a period of 48 days beginning with the date of declaration of the procedural agreement. This means that the PNC's next session is likely to convene on any day between 16 July 1984 and 15 September 1984 as a maximum.

The five parties have agreed among themselves to abide by implementation of the provisions of this agreement and to work as a single team or party should the circumstances of any Arab intervention in Palestinian affairs obstruct the success of the Comprehensive Palestinian National Dialogue Committee in accomplishing the tasks entrusted to it.



Our private sources have reported that the Fatah delegation, out of its eagerness for the success of the meeting and acting on the basis of its bitter experience with the others--an experience embodied in their quick disavowal of their commitment to what they agree on and in their ability to create means to abandon their commitments--asked President 'Ali Nasir Muhammad: But who will guarantee that all will abide by this agreement and who will guarantee fulfillment [of the obligation]?

The president of [South] Yemen hastened to say, putting his hand on his chest: I guarantee that all will abide. I am the guarantor.

The meeting thus ended with moments of utmost joy.

#### Statement on Agreement

By the time the conferees left Aden by plane, the news announcing the agreement on the day prior to the happy al-Fitr holiday had preceded them on the air waves, first to Palestine and then to the rest of the world.

Broadcasting stations and the press agencies carried a press statement on the meeting, saying:

"After the series of ceaseless Palestinian dialogue meetings in Algiers and Aden during which talks characterized by a spirit of frankness, responsibility and great concern for the PLO's unity, role and national line were held and in which the status of the PLO as our Palestinian people's sole legitimate representative was reaffirmed, the factions which have taken part in the dialogue declare to our Palestinian people's masses, to our Arab nation and to all the friends and allies of our revolution in the world that their talks have been crowned with full success in reaching an agreement that constitutes a historic step on the path of restoring the PLO's unity and the Palestinian revolution's cohesion and that leads the revolution's national course toward victory.

"The forces taking part in the dialogue have been able to approve a political and organizational document to improve the PLO's course and strategy. This document will be submitted as a basis for the comprehensive Palestinian national dialogue seeking to bolster the PLO's unity and to revitalize its legitimate institutions. The conferring parties call for an immediate start of the comprehensive national dialogue and believe that the proper framework for this dialogue lies in a meeting of the PNC's Chairmanship Bureau, the Executive Committee and the general secretaries of the revolution's factions.

"The parties have also reached agreement on specific measures that insure convocation of the PNC's next session and the preparations necessary for this session in a manner that guarantees entrenching and bolstering national unity.

"While addressing our Palestinian and Arab masses with pride, the conferring parties urge our people, our nation's masses and all the national and friendly forces to embrace this agreement and to rally behind it strongly so as to safeguard and entrench it in order that it may perform in its turn its full role in overcoming the crisis being experienced by our revolution and in speedily surmounting the differences in our ranks.

"We are confident that this agreement will open the path for restoring our revolution's unity, for clinging to the PLO and safeguarding its national line that is hostile to Zionism and imperialism and for protecting the independence of the national decision making."

Though the agreement has been announced, the questions persist regarding what has been agreed upon politically and organizationally, especially since there has been a lot of talk about concessions made by the Fatah movement. Even brother Abu Jihad, the chairman of Fatah's delegation to the meeting, has asserted that Fatah had presented a complete political and organizational plan to the Algiers dialogue session and that the meeting has approved the plan and adopted it as a main paper for the dialogue.

It has also been announced in Aden that the Fatah movement has offered all the means capable of enabling the dialogue to succeed in setting a date for the next PNC session.

Sources of the meeting have assured us that the Fatah movement has rejected strongly all the organizational structures alien to our arena--structures through which some aspire to dominate the Palestinian arena and impose custodianship on it and which they seek to export to this arena as one of their diseases. These sources report that the agreed upon and initialled accord will be signed in its final form in the first week of the current month of July. The accord will be then be presented to the Comprehensive National Dialogue Committee. The sources have also said that the accord has excluded finally at the organizational level the so-called "presidential council" as a collective command formula because the Fatah movement does not approve such projections that are incompatible with the Palestinian struggle and because there is a Palestinian front alliance within the framework of the PLO. This alliance is founded on specific bases that are tantamount to axiomatic facts, led by the fact that the leadership belongs to Fatah and that if Fatah wants a collective leadership, then it is the party that will establish the formula for this leadership, provided that this leadership be present where Abu 'Ammar is. As for the PLO Executive Committee members, they must be qualified people.

Fatah puts Palestinian national unity above all considerations, even if this requires sacrifices on its part. This is what Fatah has proven throughout 15 successive years during which it has been able to unite our people and to crystallize for them this national entity.

In spite of Fatah's realization and awareness of the danger of the Arab extensions into the Palestinian body, it has worked with all its might to

create the given facts that permit coexistence among the various factions and forces. Fatah has not vetoed anybody, be he an organization, a faction, a union, a grouping or a national figure, as long as he abides by the priority of the action for the liberation of Palestine and for enabling the Palestinian people to achieve their just and legitimate rights to repatriation, to self-determination and to establishing the Palestinian state on the soil of Palestine.

Fatah has at no time harassed anybody because of his political or ideological tendencies or positions. The history of the Palestinian struggle records no precedents of this kind, except when some people permitted themselves to spill Palestinian blood, to resort to weapons instead of dialogue and to shell Palestinian refugee camps.

At the meeting, Fatah expressed its strong insistence that there is no place among our people for all those who have taken part in such crimes. In an attempt to make it easier for the dialogue to be held, especially since there are those who contributed to defend the participants in these crimes "for their own purposes," Fatah has left the matter pending so that the PNC itself may decide on it.

As for membership in the PNC's next session, Fatah has again displayed high abidance by and strong respect for the provisions of the law, regardless of whose membership will be affected by these provisions, considering that the PNC is empowered to bring into account any of its members within the bounds of its legal frameworks. Fatah has displayed this abidance and respect because it is confident that the PNC is strong and capable of making the decisions it deems fit to strengthen the Palestinian house.

As for the appointment of vice chairmen of the Executive Committee and for determining their number and tasks, the draft agreement stipulates that the PNC be given the ultimate right to determine their number and powers, especially since there is agreement on the need to form a daily work leadership with the power to make political, organizational, financial and military decisions.

Our sources report that the draft agreement includes the agreement that the Central Council be elected by the PNC itself so that this Council may have broad powers in watching over the activities of the Executive Committee and the method in which it manages the details of the daily work and so that it may observe the degree of the Executive Committee's adherence to the PNC's resolutions.

As for the Palestinian popular organizations, the document has been careful to underline the importance of their role in Palestinian national action, especially since these organizations are the tributary constantly supplying the revolution with strugglers, capabilities and cadres. The document has further underlined the need to exert efforts to safeguard the unity of all these organizations in accordance with the stipulations of their bylaws and regulations.

This is the most significant content of the agreement at the organizational level. At the political level, the agreement has considered brother Abu 'Ammar's visit to Cairo an excess and not a violation of the resolution. In the agreement, the Palestinian-Egyptian relations have been defined as the relationship decided upon by the PNC in its previous sessions.

The agreement has also registered a "moral and ethical condemnation" of the internal events experienced by the Palestinian arena in the past year.

#### Importance of Relationship With Syria

The agreement has also underlined the importance of eagerness for the Syrian-Lebanese nationalist-Palestinian alliance and the importance of the Palestinian-Syrian relationship in a manner that insures the independence of the Palestinian will and non-intervention in internal affairs and that helps the Palestinian arena to maintain the independence of its national decision-making.

All the sides participating in the dialogue have been careful to give the occupied land and the steadfastness of its people a special place in the agreement, considering that the document calls for bolstering the national steadfastness in the occupied land and for strengthening and bolstering the Palestinian national front at home.

Though these are general main features of the agreement, announcement of the agreement after its final conclusion at the beginning of July will reveal further points with more detail and more comprehensively.

While declaring this good news, we appeal once again to our masses to embrace this agreement and to rally behind it strongly so as to safeguard, bolster and entrench this agreement in order that it may contribute to overcoming the crisis experienced by the arena and that it may restore to the revolution the mainstays of its continuation and escalation.

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CSO: 4404/564

## BRIEFS

USE OF CHEMICAL, CLUSTER BOMBS--THERAN--At least 50 Afghan Moslems were killed by chemical bombs by the Russian and Afghan government forces in a massive assault on a region north of Baghlan that took the lives of some 700 people, a German news agency quoted two guerilla commanders of the Moslem Afghan Mujahideen as saying yesterday, IRNA reported. The chemical bombs used in this extensive offensive have also killed about 10,000 cattle animals and destroyed the regions farms, the report said. It further said that during the attack the Russian bombers distributed leaflets in the region that read: "The people in this area are punished because of their aid to the guerillas and giving asylum to the Panjshir Valley Moslem Mujahidean. According to the two guerilla commanders the Russian and Afghan government assault began on May 14 and lasted for some 40 days. They added that the scorched bodies of about 50 people who died of the burns caused by chemical substances have been found in Dehna Quri region. Eyewitnesses have testified that the Russians also used cluster bombs in this extensive offensive. [Text] [Tehran TEHRAN TIMES in English 22 Jul 84 p 1]

CSO: 4600/680



## FORMER MINISTERS APPOINTED TO ERSHAD CABINET

Awami League Minister, BNP Minister

Dhaka THE BANGLADESH OBSERVER in English 10 Jul 84 pp 1, 8

[Text] The President and Chief Martial Law Administrator, Lt. Gen. H. M. Ershad on Monday appointed Mr. Korban Ali, a former Awami League Minister and Prof. Yusuf Ali, a former BNP Minister, as full Cabinet Minister it was officially announced in Dhaka on Monday night, reports BSS.

According to a Janadal Press release, Mr. Korban Ali and Prof. Yusuf Ali joining the party on Monday expressed their total support to and solidarity with the policies and programmes launched by President Ershad.

Congratulating them, the Secretary General of the Janadal, Mr Mahbubur Rahman, expressed the hope that they would bring with them their political acumen and help the party grow as a real people-based political party, the Press release added.

## League Expels Korban Ali

Dhaka THE BANGLADESH TIMES in English 11 Jul 84 pp 1, 8

[Text] The defection of Mr Korban Ali, a member of the Presidium of Awami League (Hasina) and his joining of the Council of Ministers on Monday was received by his party colleagues as a surprise.

Immediately after the news was announced at late night, top party leaders met hurriedly at the residence of Mr. Abdus Samad Azad, another ranking member of the Presidium.

After assessing the impact of Mr Ali's defection, the party leaders decided to call a meeting of the Working Committee at party Central Office on Tuesday morning.

The emergency meeting presided over by Mr Abdul Malek Ukil, a member of the Presidium in a resolution decided to "expel" Mr Korban Ali "forever" from the party and relieved him of his [word indistinct] duties.

In another resolution, the meeting noted that in the past a number of leaders like Khandaker Mushtaque Ahmed, Mr Mizanur Rahman Choudhury left the organisation by "stabbing at the back of the party and the betraying the nation". But their departure did not cause any damage to the Awami League rather it was strengthened further it added.

Mr Abdul Malek Ukil told the Times that it would not matter so much to the party as Mr Korban Ali had never been so "important". He said that Mr Ali did not receive party nomination in the general election in 1970. He became a Minister in 1975. He made no contribution to the Liberation War, six-point movement and Language Movement, Mr Ukil alleged.

Meanwhile a joint-meeting of the Presidium and the Secretariat of the Awami League (H) will be held at the party Central Office at 4 p.m. today (Wednesday).

#### Posts Assigned

Dhaka THE BANGLADESH TIMES in English 12 Jul 34 p 1

[Text] The President Lt Gen H M Ershad on Wednesday allocated the Ministry of Jute and Textiles to Mr M. Korban Ali and the newly-created Ministry of Relief and Rehabilitation to Prof Mohammad Yusuf Ali reports BSS.

Air-Vice Marshal (Retd) K M Aminul Islam who was the Minister for Jute and Textiles, was allocated the Ministry of Irrigation Water Development and Flood Control.

Mr M Korban Ali and Prof Yusuf Ali were sworn-in as Members of the Council of Ministers by President Ershad on Tuesday.

A Bangabhaban spokesman said the President had created the new Ministry of Relief and Rehabilitation which was so long been a division under the Ministry of Food with a view to ensuring more intensive supervision of relief and rehabilitation operations in the flood-hit areas.

CSO: 4600/1051

ERSHAD ADDRESSES SANGSAD CENTRAL COMMITTEE 10 JULY

Dhaka THE BANGLADESH OBSERVER in English 11 Jul 84 pp 1, 10

[Text] The President and Chief Martial Law Administrator, Lt. Gen. H. M. Ershad, said in Dhaka on Tuesday that he would join politics to implement the socio-economic programme undertaken by his Government, reports BSS.

He said, his government took over the responsibility of running the administration 27 months ago to set the affairs of the country in order and with that end in view it had adopted and implemented various reformative measures to effect procedural changes in the system suiting the need of the country.

"My aim is to establish democracy in the country after completing the onerous task reposed on my government by the people," he said adding, "so I was the first to announce the election schedule on May 27 to restore democracy before any one had demanded it."

He said, on that day he was undecided about contesting election and he had no political party.

President Ershad, who is also the Chief Adviser of the Bangladesh Muktiyoddha Sangsad, was addressing the Central Executive Council of the Central Command Council of the Sangsad. The Chairman of the Sangsad and Adviser to the President on Freedom Fighters' Affairs Mr. Zakir Khan Chowdhury were also present.

The function, held at the CMLA's Secretariat, was also addressed briefly by the Secretary General of the Sangsad Mr. Gias Uddin Ahmed and three other members.

President Ershad said that if the election could be held on May 27 as announced earlier, democratic process would have started by now. He said if he had any intention of concentrate power in his hands, he would have organised his political party first before announcing May 27 election schedule.

The President questioned the intention of the Opposition about democracy and said their opposition for opposition sake had only delayed the process of restoration of democracy in the country.

He said in the coming days he would continue his struggle for achieving economic emancipation of the people taking the freedom fighters with him. He said the freedom fighters who had demonstrated their feelings for the motherland by actively participating in the War of Independence naturally had an ever alert conscience, for ensuring betterment of the people and the country.

Referring to the strong criticism made by the members of the Central Executive Committee of the Muktiyoddha Sangsad about the political activities of Prof. Golan Azam, a foreign national. President Ershad said that the Opposition was conspicuous by its silence on the question. Perhaps they have compromised the question for attaining their selfish ends, he pointed out.

Speaking about the Budget, he said the Opposition had been making contradictory statements on the budget by asking, on the one hand to reduce dependence on foreign aid and, on the other, to cut tax structures. He said the opposition had resorted to this "negative campaign" knowing that this budget was the best possible solution to the present economic condition and to give a boost to the national economy.

The President said that the budget was not at all against the interest of the welfare of the people, rather special care was taken to resuscitate the national economy which was in the doldrums when his government came to power. He so said that the poor had not been burdened further.

The President said the budget had provided fiscal measures for raising an additional amount of Taka 104 crore to strengthen the internal resources. But, he added, with the exemption of Taka 32 crore interest on agricultural loans in the flood-affected areas, the amount of additional tax would now be around Taka 72 crore.

He said increase in the price of deep tubewells would not affect the small farmers. So long the subsidy on deep tubewell of about Taka 3.2 lakh had gone to the benefit of the big farmers only who used to sell the water to marginal and small farmers, he added.

Referring to the increase in the price of fertiliser, President Ershad said this would effect a rise in the price of fertiliser by 25 paisa per seer. In this context he mentioned that the government had increased the procurement price of paddy from Taka 124 in 1982 to take 165 per maund this year.

President Ershad said that he had been doing everything possible to establish the freedom fighters to their full glory in the society so that the people could know of their sacrifices. The last move of taking the Chairman of the Sangsad as his Adviser was another step towards that end, he added.

As regards the General pardon announced by him for the freedom fighters he said already 123 freedom fighters had been released and the remaining cases would be settled after proper identification.

Reciprocating their love and sentiments for him, President Ershad said that together they would continue their relentless struggle to improve the socio-economic condition of the people and make all the independence meaningful to all.

Earlier, the meeting observed one minute's silence in memory of the martyrs of the Independence War.

CSO: 4600/1050



**FORMER PRIME MINISTER CALLS ERSHAD 'USURPER'**

Dhaka THE NEW NATION in English 8 Jul 84 p 8

[Text] GOPALGANJ, June 7: Former Prime Minister Shah Azizur Rahman today accused General Ershad of overthrowing an elected government at gunpoint.

Addressing at local Press Club maidan he told the audience how the the present rulers usurped power by doing this. Shah Aziz thought that General Ershan has invoked wreaths of Almighty Allah which were reflected in natural calamities. The flood this year has caused havoc to standing crops which surpassed all previous records, he added.

BNP Secretary General Dr Badruddoza Chowdhury observed that the budget given by non-representative government was totally against the interest of the people. He estimated at only 21 paisa per head the government grant for victims of the flood which gripped the country last month.

BNP leader Obaidur Rahman said General Ershad has broken his pledge to the nation that he will not do politics in uniform.

Former minister Mayeedul Islam who also addressed the meeting called for united movement on the basis of 5 point programme against the 'anti people government.'

CSO: 4600/1047

AGENCY INTERVIEWS FINANCE ADVISER ON BUDGET

Dhaka THE BANGLADESH TIMES in English 12 Jul 84 pp 1, 8

[Text] The per capita availability of foreign aid to Bangladesh is 15 U.S. dollars which is much less than the amount received by many other low-income and middle-income countries, the Principal Finance Secretary and Finance Adviser Mr. M. Syeduzzaman said on Wednesday.

Nailing the campaign that Bangladesh was getting more and more dependent on foreign aid, the Adviser said that aid flow to the country was part of the organised movement for more resource flow to the developing countries from the developed ones.

Talking to BSS, Mr. Syeduzzaman said Bangladesh believed in the movement for the new international economic order, the Non-aligned movement and the Substantial New Programme of Action (SNPA) and the North-South Dialogue which calls for more resource transfer to the Third World countries.

He said that no political circle had opposed the movements nor objected to Bangladesh's participation in such forums of the Third World and least developed countries for sharing and transfer of resources and technology.

The Adviser, however, said that there must be an end to the conflicting considerations of lessening the dependence of foreign aid and opposing the imposition of direct tax for mobilisation of domestic resources for developmental purposes.

Referring to various misinterpretations and wrong presentation of the budget for fiscal 1984-85, the Adviser said it was not true that the allocation for agriculture sector had been curtailed this year.

Quoting from figures, he said this year's allocation for agriculture and rural and water resources development was Taka 1,072 crore compared to Taka 1,035 crore of 1983-84. Minus the Taka 90 crore subsidy out of Taka 1,072 crore, the real allocation for the sector stands at Taka 982 crore, at an all time high, the Adviser said.

Mr. Syeduzzaman said this year's target for distribution of fertilizer had been fixed at 12.20 lakh tons as against 10.5 lakh tons of 1983-84.

He said the overall spending in the sector would further go up since the major part of the Taka 230 crore allocation for Upazila development and the left over amount of Taka 172 crore from the last year's allocation in the sector would be spent for development of agriculture.

The Finance Adviser said that no tax had been imposed on salt this year although there was economic justification for it and the matter was considered by the government.

Explaining, he said that production cost of per ton local salt was Taka 1,100 whereas the price of same quantity of imported salt including the import tariff stood at Taka 950.

Mr. Syeduzzaman said that the market price of per ton salt was Taka 2,000 and pointed out that unless there was import restriction the local salt industry would be affected.

Giving another example, the Adviser said that cost and import price of a deep tubewell was Taka 4 lakh whereas the price of the item had been fixed at TK. 1.30 lakh which used to be sold at Tk. 1.12 lakh earlier, he questioned, the justification behind giving so much of subsidy for the item the benefit of which was reaped by the rich farmers.

At the same time, he pointed out that subsidy had been eliminated from shallow tubewell which was used by the medium and small farmers.

Turning to imposition of import duty on bicycle, the Finance Adviser said that even after 50 per cent hike in the import duty the price of imported bicycle was cheaper than the locally produced ones.

He said that only 15,000 bicycles were produced, locally against the installed capacity of 47,000.

Referring to the enhanced rate of travel tax, Mr. Syeduzzaman said that the amount was quite less than the international standard. He said people travelling by sea all over the world had been paying travel tax. Why should there be an exception in case of Bangladesh? he asked. He further said that a nominal amount of Taka 50 had been fixed for undertaking travel through land routes.

Clarifying the tax reduction on indenting commission, the Adviser said that a flat rate of three per cent had been fixed to remove the discrimination between various categories of advance tax deductions.

CSO: 4600/1051

COMMUNICATIONS MINISTER ADDRESSES MALDIVES PARLEY

Dhaka THE BANGLADESH OBSERVER in English 11 Jul 84 pp 1, 1G

[Text] VILLINGILI (Maldives), July 10:--The first ever summit meeting of the heads of state and government of the seven South Asian Regional countries will be held in Dhaka some time next year, according to informed sources here tonight, reports BSS.

The decision to hold the first SARC summit meeting in Dhaka was taken in the second session of the closed door meeting of the South Asian Foreign Ministers conference now being held in this beach resort.

A formal announcement regarding the holding of the summit will be made tomorrow in the joint communique of the conference, the sources said.

The third and next Foreign Ministers conference of South Asian Regional Cooperation will take place in Bhutan, conference sources said.

Communications Minister Mr. A. Z. M. Obaidullah Khan said here today that Bangladesh would feel privileged to host the first summit meeting of the South Asian nations.

Addressing the second session of that two-day conference of Foreign Ministers of South Asian Regional Cooperation (SARC). Mr. Khan who is leading the Bangladesh delegation at the meeting, said an early summit would help maintain the momentum that had been generated. It would also convincingly remonstrate to the watching world that South Asia was determined to resolutely pursue regional cooperation, he added.

The Minister reaffirmed Bangladesh's unflinching commitment to the dynamic process of regional cooperation and said "Our unswerving conviction that it would not only contribute to the well-being of all our peoples bolster our collective self-reliance but also contribute to peace and progress in our region and the world at large"

He told the meeting that the major task before it was to finalise the date and venue of the summit in pursuit of the decision taken by the SARC Ministers held in New Delhi last year.



The critical importance of such a meeting at highest political level, at this formative stage of SARC cannot be overemphasised, he said

Mr. Obaidullah Khan pointed out that it had been agreed that only a summit meeting could generate the necessary political commitment to forge effectively ahead.

Mr. Khan said the high hope and expectation that had been raised regionally for mutual co-operation must not only be sustained but also enlarged widened and deepened.

#### Progress

The Minister appreciated the significant progress achieved in implementing the integrated programme of action in a comparatively short span of time. The programme was launched last year at the South Asian Foreign Ministers conference in New Delhi.

Mr. Kahn called for working together on issues of common interest and focusing "our attention on official development assistance, commodities, money and finance and debt relief on a priority basis."

The Minister told the conference that while international measures were of crucial importance as a parallel strategy, the SARC countries must harness the potential benefits of their own collective action.

Mr. Khan expressed gratitude to Maldives President Maumoon Abdul Gayoom for his inspiring inaugural speech. He said the speech had eloquently reflected the all pervading sense of expectation of the peoples of the South Asian region in their shared journey for a meaningful and lasting regional cooperation.

A report says: Foreign Ministers of South Asian Regional Co-operation (SARC) on the first day of their two-day conference here today reached a consensus on the holding of first SARC summit, host Foreign Minister of Maldives Fathulla Jameel said.

The Ministers today met for two and a half hours over two sessions discussing all the agenda items.

The Bangladesh delegation at the conference is being led by Communications Minister Mr. A. Z. M. Obaidullah Khan. Foreign Ministers of all the other South Asian countries like Pakistan, India, Nepal Bhutan and Sri Lanka are participating in the conference.

The Sri Lankan Foreign Minister Mr. A. C. S. Hameed who missed the inaugural function for his late arrival today, however joined the business session of the meeting.

#### Gayoom

Reuter adds: South Asian Foreign Ministers today expressed strong concern about the impact of the world economic situation on their countries and urged collective action to counter it.

The Ministers voiced their concern at a two-day meeting of the South Asian Regional Co-operation (SARC) forum which was opened today by Maldivian President Maumoon Abdul Gayoom.

In his opening speech President Maumoon Abdul Gayoom called for speedy convening of a summit meeting of South Asian Regional Cooperation (SARC) to give the newly formed seven-nation organisation "necessary backing" at the highest political level.

An early summit would make possible the fullest commitment of the countries concerned to the aims and objectives of the regional cooperation, President Gayoom said while opening the two-day conference of the SARC Foreign Ministers here this morning.

CSO: 4600/1050

**HUNDREDS OF SHANTI BAHINI REPORTED TO SURRENDER**

**Dhaka THE BANGLADESH OBSERVER in English 9 Jul 84**

[Text] KHAGRACHARI, July 8:—A total of 896 misled elements of the so-called 'Shanti Bahini' including 298 armed cadres in the Chittagong Hill Tracts area have surrendered to the authority in response to the pardon announced by the President and Chief Martial Law Administrator Lt. Gen. H. M. Ershad, reports BSS.

It is understood that the good response received from the misled elements as a result of the announcement of pardon, effective from October 3, 1983 to April 26, 1984 was the manifestation of their firm will to devote themselves along with the mainstream to build the country.

One of the group of the so-called Shanti Bahini, which is believed to be operating from across the borders, is however, creating obstacles on the way of restoring peace and discipline and the process of development activities in the area.

During the period of pardon, a large number of weapons including sophisticated arms and huge quantity of ammunition were also surrendered by the armed cadres of the so-called Shanti Bahini who gave them up to the authority.

Meanwhile, the Government has taken up measures to rehabilitate the surrendered armed cadres as was promised in the announcement of pardon. Out of the 298 armed cadres surrendered, steps have already been taken to rehabilitate 200 of them by providing jobs and lands. Steps are also being taken to rehabilitate the remaining 98 persons.

The Government of President Ershad which had provided priority to the development of Chittagong Hill Tracts believed that the problems in the Hill Tracts area had been eased considerably as a result of its attitude and policy.

Official sources said the Government had taken up a Taka 267.5 crore special five-year plan for the Hill Tracts area to improve the condition of the people living there. Other facilities provided for the people of the area are reservation of jobs in Government, semi-Government and autonomous organisations, building of schools and colleges, medical care for all and reservation of seats in the medical colleges and engineering colleges.

FINANCE ADVISER ANSWERS QUESTIONS ON ECONOMY

ENA Interview

Dhaka THE NEW NATION in English 5 Jul 84 pp 1, 8

[Text] The total public sector investment during the entire Second Five Year Plan period 1980-85 is estimated to be Taka 16 thousand crore while the Gross Domestic Product (GDP) during the period is expected to record a growth of 4.3 percent, Finance Adviser Mr Syeduzzaman said in Dhaka yesterday.

Mr Zaman is also the principal Finance Secretary was replying to a series of questions by ENA in an interview on the overall performances of the economy as assessed on the eve of the terminal year of the Second Five Year Plan which began from July 1 last.

The Finance Adviser said the estimated investment in the public sector is about Taka 350 crore short of the revised estimate of the Second Five Year Plan.

The revised target of the growth during the Second Five-Year Plan was 5.4 per cent.

The Finance Adviser said growth in the agriculture sector during the entire period is estimated to be about 4.3 per cent, industry sector 5.1 percent, power and gas 16 per cent and transport 3.8 per cent.

Giving a graphic picture of the performance of the economy he said the growth declined to 0.9 per cent only in 1981-82 mainly because of the deep global recession. But the situation continued to improve since 1982 and the overall growth in the current financial year was estimated to rise by 6.2 per cent over the previous year.

He said one of the major factors that led to the slowing down of public sector investment was shortfall in the mobilisation of the domestic resources. He said the total shortfall in the availability of the domestic resources was estimated as Taka 100 crore. He said of the amount there was a shortfall of Taka 300 crore in revenue receipt on account of import duty and sales tax in the last year alone. The total collection of import duty and sales tax in the last year was Taka one thousand crore as against the target of taka 1300 crore. This is why, he said, the target for import duty and sales tax had been fixed at Taka 1160 crore in view of the objective performances of collection.

The Finance Adviser emphasizing the importance of stepping up domestic resources said the government in order to maintain the target of growth had to withdraw subsidy on irrigation, food and fertilised. He said the last year the government had to pay a subsidy of Taka 600 crore on those heads. This year, he said, the government plans to reduce subsidy by about Taka 90 to 100 crore. He said taking into account the amount of withdrawal of subsidy and the planned additional tax receipts of Taka 104 crore, the net increase in the overall domestic resources in public sector this year is estimated at between Taka 194 crore and 204 crore.

#### Meeting With Dhaka Press

Dhaka THE BANGLADESH OBSERVER in English 6 Jul 84 pp 1, 10

[Text] Thirty-three per cent work force of the country are now unemployed and the present economic condition of the country can ill afford to provide them with employment.

This was stated by Mr. Syeduzzaman, Principal Finance Adviser while talking to the Editors of national dailies and news agencies on the current budget at the cabinet room of the Bangladesh Secretariat on Thursday afternoon. He expressed the doubt that the present rate of agricultural growth would not provide job opportunity for one-third of the total unemployed people. He stressed the need for establishing small and medium scale industries to cope with unemployment situation. According to him, small and medium industries can generate more employment than the big industries.

The growth rate of the country is now 4.3 per cent and Bangladesh would take at least 27 years to cross the poverty line of 80.22 per cent of the population if the economic growth continues at the present rate he said.

Speaking on the food price hike, the Finance Adviser said that the price hike was due to natural calamities like floods. When his attention was drawn to the shortfall in the internal resource mobilisation in the outgoing fiscal year, he said that short-fall in tax realisation was one of the main causes. He, however, said that the tax target in the last fiscal year was also smaller than the current year. In the last fiscal year the target for additional tax was Taka 53 crores and realisation against it was only 40 crores, he said. When his attention was drawn to the imposition of Taka 103 crores as new taxes in the current budget, Mr. Syeduzzaman hoped that the target would be achieved, because the tax structure had been made liberal.

He said that the volume of the remittance from the Bangladeshis abroad was rising steadily as the Government had given sufficient incentives to the overseas wage earners. Citing an example, he said that the Government had introduced 22 per cent interest on Wage Earners Bond and made it Income Tax free.

When his attention was drawn to the fact that Taka 400 crores wage hike, would destabilise the society and create more inflation Mr. Syeduzzaman said that



it would not affect much. He said that the owners of the private sector industries were also giving uniform rates of pay as announced for the public sector employees and workers.

Mr. Syeduzzaman called for a general consensus to keep money banking, industrial policies and foreign exchange above politics.

Referring to an interview of former Planning and Finance Minister Dr. Fasihuddin Mahtab in a national daily, in which he was critical of the current budget, Mr. Syeduzzaman said the remarks against the budget was unkind. About the Second Five-Year Plan which was formulated during Dr. Fasihuddin Mahtab's tenure of office as Planning Minister he said that it was too ambitious.

Speaking on the withdrawal of subsidy in some sectors, he said the subsidy did never benefit the common people and only a few percentage of the people belonging to the affluent class reaped the benefit of subsidy.

He agreed to a question that expenditure had increased in unproductive sector following the introduction of decentralisation of administration at upazila level. Though the creation of upazila had forced the Government to spend on upazila development it would have far reaching benefit he said.

He said that import in the last fiscal year was minimum and the foreign exchange reserve also increased. According to him the foreign exchange reserve of the last year was an all time record.

CSO: 4600/1046

## TAMIL NADU CHIEF MINISTER ANNOUNCED CABINET CHANGES

Madras THE HINDU in English 9 Jul 84 p 1

[Text] MADRAS, July 8. Reallocation of portfolios of four Tamil Nadu Ministers was announced today by the Chief Minister, Mr. M. G. Ramachandran.

The Revenue Minister, Mr. S. D. Somasundaram, takes over Food and Price Control from the Finance Minister, Mr. V. R. Nedunchezian. Revenue is shifted from Mr. Somasundaram to Mr. Nedunchezian, who will be Minister for Finance and Revenue.

Mr. R. Soundararajan, Minister in-charge of Noonmeal Scheme, becomes Minister for Local Administration.

Mr. P. Kulandaivelu, who was hitherto looking after Local Administration, takes over "noonmeal scheme" from Mr. Soundararajan. The subject of commercial taxes hitherto dealt with by Mr. Somasundaram is retained by the Chief Minister in addition to the portfolios already held by him.

"This is all for the present," the Chief Minister said when asked by a reporter whether any further changes could be expected.

Mr. Ramachandran denied a newspaper report that two Ministers—Mr. S. Ramachandran and Mr. S. D. Somasundaram—had offered to resign from the Cabinet protesting against the interference of other Ministers in the subjects held by them.

No rift: He clarified that the Industries Minister, Mr. C. Ponnaiyan had made certain announcements with regard to power generation in so far as it related to industries and there was nothing wrong in that. So far as the Cabinet was concerned, it remained a homogenous body and he did not see any rift among the Ministers.

Answering a question whether "groupism" had developed at the AIADMK, Mr. Ramachandran said there was no "groupism," but there might be differences of opinion among individual ministers on various issues. It was not uncommon in any political party and, for that matter, in any religious, linguistic or social group. But once a decision was taken at the party level, it was accepted by every one, irrespective of their individual opinion, he said. He emphasised that the discipline in the party was in tact ever since it was formed, even though it may appear sometimes that some ministers were over enthusiastic in implementing the programme allotted to them.

**INFORMATION MINISTER'S PAKISTAN VISIT REPORTED**

**Madras THE HINDU in English 9 Jul 84 p 1**

**[Article by K. K. Katyal]**

**[Text] ISLAMABAD, July 8.** India and Pakistan today decided to take specific steps to put an end to negative and hostile propaganda against each other by their media. This followed the expression of concern by India over the coverage of the recent Punjab events by the official media of Pakistan.

As seen by India, this not only amounted to interference in its internal affairs, but also had the effect of instigation to trouble-makers.

**Specific Instances**

During his talks here, the Indian Minister for Information and Broadcasting, Mr. H. K. L. Bhagat, gave to his Pakistani counterpart, Raja Mohammad Zafarul Haq specific instances from the programmes of radio and television, as also of the headlines and treatment of the army action against the Punjab terrorists by some newspapers.

As a matter of fact, he had made this point at the first opportunity in his arrival remarks at Lahore last night and repeated it in his formal and informal discussions with Raja Haq. The coverage had caused doubts and misgivings in the minds of Indians who were particularly distressed by the statement of some responsible Pakistani spokesman not quite consistent with the policy of non-interference, he said.

Replying to a welcome speech at a lunch hosted in his honour today, Mr. Bhagat mentioned in passing that many in India wanted him to call off his visit in view of the Pakistani media attitude but the Prime Minister, Mrs. Gandhi, advised him to proceed with the trip in the wider interest of Indo-Pak amity. In a brief encounter with Pakistani correspondents, Mr. Bhagat, questioned on India's complaints, explained that he had to convey the feelings and sentiments in his country over the coverage issue. But he wanted them to view his statements in totality, including his emphasis on the urgency of promoting peace and goodwill between the two countries.

The Pakistani side, of course, had its version. While defending the treatment by their official media of the Punjab events as professional, it put forward

counter complaints based on the media reporting in India. But, as a Pakistani spokesman explained, this was done because of their anxiety to "leave behind the stage of complaints and to surmount difficulties and move forward".

Having expressed themselves on this issue with obvious political overtones, the two ministers, along with senior officials, evolved ways to give a concrete shape to their desire for good-neighbourliness which found expression in their public and private speeches. This was within the framework of Mr. Bhagat's summing up of the Indian attitude that "we want to go a long way, the longest possible way in media cooperation" and the matching response from the Pakistani Minister.

Pursuing the ideas mooted at the joint-sub-commission in the past, they agreed that (1) the radio organisations of the two countries appoint, within a month, a correspondent in the other's capital; (2) exchange within a specified period radio and television programmes; (3) sponsor exchanges of personalities in non-official media like editors, column writers and desk writers and (4) exchange visits by those involved in the production of programmes of electronic media like script writers, directors, producers, artists and producers.

It was decided that the radio and television teams of the two countries would get together every three months to review the progress of action on the decisions on cooperation. In this context, the Indian side offered to have a team of 12 Pakistani journalists as guests of the Press Club of India.

The Pakistani Minister was highly conciliatory in his welcome remarks at lunch today. He assured that the coverage of the Pakistani media would not only be positive but also sympathetic. He was all praise for Mrs. Gandhi's role as head of the non-aligned movement. Of course, his main theme was the imperative need for peace and cooperation between India and Pakistan.

Mr. Bhagat today called on the Pakistan President, Gen. Zia-ul-Haq.

CSO: 4600/1031

## BJP PRESIDENT TALKS TO PRESS IN AHMEDABAD

Bombay THE TIMES OF INDIA in English 9 Jul 84 p 6

[Text] AHMEDABAD, July 8 (UNI). THE style of functioning of Prime Minister Indira Gandhi is "inflicting incalculable damage", to the country and her resignation is the only "solution," the Baharatiya Janata Party president, Mr. Atal Behari Vajpayee said today.

Addressing a press conference here, Mr. Vajpayee said Mrs. Gandhi failed in tackling various burning issues including Assam, Jammu and Kashmir and Punjab. The law and order situation could not be maintained even with the help of the army.

Asked how Mrs. Gandhi's resignation could solve these problems he said the Congress could elect a new leader in her place.

Mr. Vajpayee accused the Centre over what he called the delayed action in Punjab that had inflicted shock waves among two ethnic groups and enlarged the "gulf" between the Hindus and Sikhs there.

He said it was strange that the defence minister had not resigned for over a dozen "mutinies" in the armed forces following the army action at the Golden Temple.

"It is no use blaming the opposition for all the misdeeds of the Congress government at the Centre."

Replying to questions, Mr. Vajpayee asked the government to come out openly with evidence if Pakistan was really involved in the present Punjab tangle.

Blaming the "total failure" of security at Srinagar airport leading to Thursday's plane hijacking, Mr. Vajpayee wanted that the responsibility for this utter negligence be fixed and "some one should be hanged in the Delhi streets".

He demanded strong action against those pro-Pakistan and Khalistan elements, who had joined hands in Jammu and Kashmir.

He criticised the Jammu and Kashmir governor's role in the removal of the chief minister, Mr. Farooq Abdullah.



## **"Tripura Next"**

Reiterating his party's demand for introduction of the anti-defection bill, Mr. Vajpayee alleged that in the recent political manoeuvres in Jammu and Kashmir, the Centre could not make out any case.

According to him, the axe may fall next on Tripura, on the pretext of the growing insurgency there.

Asked whether in view of the present crisis the Lok Sabha polls might be postponed, he said Mrs. Gandhi was "keeping all her options open" since the Congress enjoyed a two-thirds majority in Parliament.

However, in the next general elections, the Congress would not get a majority, he felt.

Opposition leaders joining the Prime Minister on her visit to Harmandir Saheb of the Golden Temple would have conveyed a message of national solidarity and a national purpose more eloquently than the plethora of speeches on T.V. and radio, Mr. Vajpayee said.

Replying to Mrs. Gandhi's letter of June 26, he wondered what led her to find fault with the "tone, language and style" of his letter.

The Prime Minister, in her reply to Mr. Vajpayee's letter of an earlier date, had said: "I am sorry that even in this grave hour your style and language remain partisan."

"There was no question of my taking anyone with me to Amritsar. Even Sardar Buta Singh who happened to be in Amritsar learnt of my visit through others."

"Arrangements have been made for some members of Parliament who had made special and repeated requests to go to the Golden Temple. If you are interested, the state authorities will also make arrangements for your visit," Mrs. Gandhi wrote.

Releasing the copies of the letters, Mr. Vajpayee, in his reply, said he entirely agreed with the Prime Minister that the situation "precipitated" by the Punjab happenings was "grave".

"But I am convinced that if your government and party had been able to insulate their Punjab policy from considerations of political advantage, terrorism would never have become such a menace and the Punjab situation would not have come to its present pass," Mr. Vajpayee has replied.

"I am not writing this from a partisan point of view but to emphasise the need of learning the right lessons from the Punjab tragedy, particularly because it appears to me that these lessons have not been learnt by your party and the government," he added.

The BJP president said, "It is news to me", when asked why he was not going to contest the next general elections. A section of the Delhi press had said Mr. Vajpayee had decided not to contest the next Lok Sabha polls.

## REPORT ON PLANNING MINISTER'S SPEECH TO PANEL

Madras THE HINDU in English 9 Jul 84 p 6

[Text] NEW DELHI, July 8. The Union Planning Minister, Mr. S. B. Chavan, said on Saturday that the basic thrust of the Seventh Five-Year Plan would be on food, work, employment and productivity, tempered with growth, equity, social justice and self-reliance.

Addressing the consultative committee of MPs attached to the Planning Ministry, he said implementation of such an approach would require a strategy built around higher agricultural growth and creation of employment, improvement of efficiency and quality of production and technological upgradation of industry and infrastructure.

In the formulation and implementation of the Plan, the involvement of the people was an essential prerequisite and it was also necessary to take into consideration the suggestions the people's representatives would make.

4 p.c. growth rate aimed at: The Seventh Plan, he said, would aim at four per cent growth rate on the farm front. The programme of agricultural development would be integrated with the programmes of alleviation of rural poverty and would concentrate on less developed regions.

The pattern of developmental processes must be such as to reduce inequality by concentrating on select target groups such as small and marginal farmers and agricultural backward areas.

It was stated that the members warmly welcomed the approach set out by the Minister and it reflected the people's needs and priorities, but effective implementation would have to follow, they said.

Stabilising population growth: Prof. M. G. K. Menon, Member, Planning Commission, said a rate of 1.8 per cent growth of population was being assumed for the Seventh Plan period. Therefore, there can be no scaling down of the importance of the projects for population stabilisation in the overall strategy. Improvement in literacy, extensive programmes of information, education, and communication, a proper mix of incentives, reduction of infant mortality through mother and child health service and satisfaction of minimum needs would all help towards this end, he said.

He also stressed that a major change in education policy was absolutely essential in the Seventh Plan.

**Regional disparities:** Dr. Ch. Hanumantha Rao, Member, Planning Commission, said that a rapid increase must be achieved in the production of rice, especially in the eastern region. He said regional disparities had to be tackled at different levels and part of the solution lay in the development of agriculture in the less developed regions.

**Industrial, farm growth:** Mr. Mohd. Fazal, Member, Planning Commission, said industrial production would have to grow at about seven per cent to meet the objectives of the Plan. The emphasis on agricultural production would require adequate growth of sectors like fertilizers, pesticides and agricultural machinery. The industrial sector had played an important role in the structural transformation of some regions of the economy and a suitably designed strategy for a faster rate of industrial growth would be one of the elements of the poverty alleviation and employment generation strategies, he said.

The Minister said guidelines had already been issued to the State Governments to implement land reform schemes and it was hoped these schemes would be implemented more effectively in future.

**Decentralisation:** Regarding decentralisation, the Minister said that guidelines had been issued to the State Governments which could set apart Plan outlays for the schemes and programmes to be planned and implemented at the district level and public participation at the district level in these programmes would be encouraged.

Implementation was a weak area in the Plans, and the State Governments which were mostly responsible for monitoring implementation at the field level would have to step up their efforts considerably.

PTI adds:

The Seventh Plan strategy, Mr. Chavan said, would require the use of less capital intensive and more labour intensive techniques and shift in investment priorities towards items of mass consumption and measures to improve the quality of life.

CSO: 4600/1031

## ANALYST NOTES ISSUES IN INDO-PAKISTAN RELATIONS

Madras THE HINDU in English 9 Jul 84 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, July 8. The Foreign Ministers of India and Pakistan, Mr. P. V. Narasimha Rao and Mr. Yaqub Ali Khan, will be travelling tomorrow from Delhi to Maldives in an Indian plane, spending about 4-1/2 hours together on the flight. This comes as a strange coincidence on the day the White Paper on Punjab is being released, making some strong references to foreign involvement, although no country is being named for this indictment.

The two will have enough time to talk about various aspects of Indo-Pakistan relations, and Mr. Narasimha Rao will not let go the opportunity to tell Mr. Yaqub Khan of India's misgivings about the Pakistani role in the Punjab developments.

It is not without significance that Mr. Yaqub Khan has chosen to pay a good will visit to Sri Lanka after the ministerial meeting in Male on South Asian Regional Cooperation. If he wanted to be helpful, he could have certainly avoided the visit at this time, since it is likely to be misunderstood not only by the Tamil community but also the local Muslims who have been agitating against the Sri Lankan decision to seek Israeli help in fighting terrorism.

Inconsistencies: The External Affairs Minister will tell Mr. Yaqub Khan that some of the statements made by him, and also the Defence Minister of Pakistan, on the Punjab situation and the recent communal riots in Bombay, are quite inconsistent with his Government's professed policy of non-interference in India's internal affairs, besides being needlessly provocative and highly objectionable. He will also draw attention to the persistent slanders in the Pakistani press about happenings in India, an issue which the Information and Broadcasting Minister, Mr H. K. L. Bahgat, has also raised during his current visit to Pakistan.

In voicing thanks to Pakistan for its help in handling the hijack episode, the Government does not want any misleading impression to be created that this single incident has gone a long way in easing the strained bilateral relationship, much as India wants to improve it. The Pakistani role in the Punjab crisis cannot be forgotten until adequate amends are made and a suitable assurance given that such interference will not be repeated.



For the record: In making a pro-forma request for the return of those who hijacked the Indian Airlines plane to Lahore, India is merely placing this demand on record without entertaining any hopes that Pakistan would comply with it. The arrested hijackers are being charged under the Foreigners Act, strangely enough, not for aerial piracy under relevant international conventions.

Despite repeated assurances, the earlier group of five hijackers who diverted an Indian plane to Lahore in 1981 in similar circumstances have not yet been put on trial and Pakistan has not so far acceded to the Indian demand for their extradition. The terrorists who managed to escape the Army dragnet by slipping across the border into Pakistan are being permitted to stay and not asked to go back to Punjab to face the consequences of their violent actions.

Nepal's attitude: In refreshing contrast with this Pakistani attitude, Nepal has been extremely helpful in this respect. It has taken precautions, acting in close concert with India, to prevent the misuse of Nepalese territory for any hostile activities directed against India. The suspects have been threatened with summary arrest and deportation if they do not refrain from anti-Indian propaganda and they are not being allowed to maintain any contact with the extremists operating from abroad or seeking sanctuary in Pakistan.

After the Punjab experience, India is also keeping a close watch to see what role Pakistan will be playing in Sri Lanka, whether it will exert its influence on the local Muslims not to agitate beyond a point over the Israeli connection or prevail upon the Jayewardene Government to give up this ill-advised move which has incensed the non-aligned opinion that is closely identified with the Arab cause.

Foreign Ministers' exchanges: The Foreign Secretary, Mr. M. K. Rasgotra, who is also going to Male for the SARC conference will be having similar informal exchanges with his Pakistani counterpart, Mr. Niaz Naik, who is already in Maldives. It is not known whether he will also be going to Colombo with his Foreign Minister before returning to Pakistan.

A happy feature of an otherwise unhappy relationship between India and Pakistan at present is the personal rapport that has been established between both the Foreign Ministers and Foreign Secretaries who are able to talk candidly of this crisis of confidence without treading on each other's toes or causing offence to their Governments. And this will be helpful during the difficult weeks ahead in conducting the Indo-Pak dialogue at different levels without getting bogged down in avoidable distractions.

CSO: 4600/1031



PATRIOT INTERVIEWS NEW JAMMU, KASHMIR CHIEF

New Delhi PATRIOT in English 12 Jul 84 p 1

[Article by Rakesh Bhatnagar]

[Text] Jammu and Kashmir Chief Minister G M Shah has constituted an enquiry committee to look into the various charges against his predecessor, Dr Farooq Abdullah.

The four-member Cabinet committee, headed by Deputy Chief Minister D D Thakur and comprising two Cabinet Ministers and the Chief Secretary, is expected to submit its report within 14 days.

Mr Shah, who arrived in the Capital to attend the National Development Council meeting scheduled for Thursday, told Patriot in an interview that appropriate action would be taken against the former Chief Minister if the charges are proved.

Excerpts:

Q: Have you set up an enquiry committee to look into the various charges against Dr Abdullah?

A: Yes. Our Deputy Chief Minister D D Thakur is heading the four-member Cabinet committee which includes two Cabinet Ministers and the Chief Secretary who is an ex-officio member. The committee is expected to submit its report within a fortnight.

Q: What is the term of reference of the enquiry committee?

A: There are various charges against Dr Abdullah. The committee will ascertain the role played by Dr Abdullah during his 21-month regime, to propagate violence, hatred for the country, corruption, nepotism and also his involvement in supporting anti-national activities, such as giving shelter to extremists from Punjab. Once the charges are proved the law will take its own course.

Q: But Dr Abdullah is apprehending arrest now.

A: If he indulges in violence, he will be arrested.

Q: The Opposition parties are against your becoming the Chief Minister.  
Comment.

A: The Opposition has a definite role to play in national and regional politics but it should operate in a given framework. The Opposition should not act in an irresponsible manner. Do they want to remove Kashmir from the map or India? This will not be allowed.

Q: Do you expect more National Conference MLAs to join you?

A: We are a group of 40, including 26 of the Congress-I, but before the State Assembly is convened many more MLAs are expected to support me.

Q: How many and who are they?

A: I keep my cards close to the chest. Politics is a game, if you know how to play it.

Q: How is the law and order situation in your State now?

A: It's really good, Much better than what it was during Dr Abdullah's time. There are no killings. You see, during Dr Abdullah's regime many people were killed and anti-national and secessionist forces are active. Now things are changed.

Q: But despite a good law and order situation, how did some terrorists manage to smuggle arms and explosives inside the Indian Airlines Airbus which was hijacked to Lahore?

A: We have ordered an enquiry into the lapse of security at the airport. All the hijackers are members of the outlawed All India Sikh Students Federation. Governor Jagmohan had warned Dr Abdullah about the AISSF activists and had recommended their arrest, but Dr Abdullah just slept over the matter.

Q: What is the fundamental difference between you and Dr Abdullah?

A: I am honest and a patriot. I have served the country for 53 years and fought for the freedom.

Q: Do you propose to see Mrs Indira Gandhi during your stay here (in New Delhi)?

A: Yes, I shall be meeting the Prime Minister and other leaders too.

Q: Do you propose to have an alliance with the Congress-I if there is going to be an election?

A: Yes. The National Conference and the Congress-I will have adjustments.

CSO: 4600/1039

## PRESS REPORTS, COMMENTS ON WHITE PAPER ON PUNJAB

## Text of Paper

New Delhi PATRIOT in English 11 Jul 84 pp 6-8

[Text]

The following is the text of the White Paper on the Punjab agitation:

## I

## INTRODUCTION

Punjab has been the scene of a series of agitations during the last three years. Four distinct factors were noticeably at work. Even though at times they seemed to be independent of one another, in the ultimate analysis they combined to produce a complex web of violence and terror that threatened to undermine the social, political and economic stability not only of Punjab but the whole country. These factors were:

—The agitations sponsored by the Shiromani Akali Dal in support of certain demands which had been submitted to Government and on which negotiations were in progress;

—A stridently communal and extremist movement which degenerated into open advocacy of violence and sanction for the most heinous crimes against innocent and helpless citizens and against the State;

—Secessionist and anti-national activities with the declared objective of establishing an independent State for the Sikhs with external support; and

—Involvement of criminals, smugglers, other anti-social elements and Naxalites who took advantage of the situation for their own ends.

The ideological underpinning for the demand for a separate Sikh State was provided by certain members of the Sikh community in foreign countries. Secessionist activities in India were fuelled by inflammatory utterances of Shri Amrik Singh, Shri Jarnail Singh Bhindranwale and a few others. Even though the Akali Dal leadership did not put forward any specific demand of a secessionist nature, its ambiguity on the concept of Sikh separatism provided a respectable cover for subversive and

anti-national forces to operate in the secure knowledge that they would not be politically disowned. Their ambivalence and, on occasion, their use of the concept and phraseology of the separatist movement contributed to the political confusion in the State.

The tactics employed by the secessionist and terrorist groups were: systematic campaign to create bitterness and hatred between Sikhs and Hindus; indoctrination in the ideology of separatism in militant terms behind the facade of gurnat camps; training in the use of modern weaponry; use of terrorism against specific targets in the police and the administration of Punjab; preparation of "hit lists" of those who disagree and organising their murder; random killing of persons of a particular community aimed at creating terror and instigating communal violence; stockpiling of arms and ammunition in places of worship; utilisation of smugglers and anti-social elements for procuring supplies of arms, ammunition and for looting banks, jewellery shops and individual homes; and obtaining covert and overt support from external sources. All this they did by lodging themselves within the holy precincts of the Golden Temple and other gurdwaras throughout Punjab and elsewhere. Government's reluctance to send police forces into gurdwaras out of deference to the religious sentiments of the Sikh community was fully exploited. These elements misused sacred places of worship to direct and commit acts of murder, sabotage, arson and loot. Their actions plunged Punjab into disorder and anarchy giving rise to a sense of deep insecurity among law abiding sections of the population. There was real danger of rupture between different communities. Conditions of insurgency were fast emerging, seriously threatening the country's unity and territorial integrity.

The essence of the problem in Punjab was not the demands put forward by the Akali Dal in 1981 but the maturing of a secessionist and anti-

# CASUALTIES IN THE ARMY OPERATION

	In the Golden Temple area	other religious places	Curfew violation/cordon and search operations in other areas	Total
1. Civilian/terrorist casualties				
(a) Killed	493	23	38	554
(b) Injured	86	14	21	121
2. Army casualties				
(a) Killed				
(i) Officers	4	—	—	4
(ii) JCOs	4	—	—	4
(iii) ORs	75	1	8	84
(b) Injured				
(i) Officers	12	3	—	15
(ii) JCOs	17	2	—	19
(iii) ORs	220	19	14	253
3. Civilian/terrorists apprehensions	1592	796	2324	4712

national movement, with the active support of a small number of groups operating from abroad. The Akali Dal leadership allowed the initiative and control over the agitation to pass out of their hands. They lacked the will to arrive at a settlement on the basis of any reasonable framework offered by Government. Hesitation, second thoughts, unwillingness to come to definite conclusions in a spirit of give and take and to deal with the pressures of militancy which was based on unabashed communalism, characterised their attitude. Negotiations were time and again frustrated just when the prospects of settlement seemed near. Even in the week preceding the calling in of the Army in aid of civil authority, Government made one more effort to reach a settlement through discussions with the Akali Dal leadership, but found their position more rigid than before.

The terrorists escalated their violence. With each passing day the situation worsened. The subversive activities of groups inside the Golden Temple complex had assumed menacing proportions in the context of India's security environment. The influence of external forces, with deep-rooted interest in the disintegration of India, was becoming evident. The Government were convinced that this challenge to the security, unity and integrity of the country could not be met by the normal law and order agencies at the disposal of the State. It was in these circumstances that the decision was taken to call the army in. Government have affirmed, in the only way open to them, the imperatives of national integrity against all forms of separatism.

This paper is intended to give an account of Government's responses to the various demands put forward by the Shiromani Akali Dal,

the mounting acts of terrorism and violence in Punjab, the activities of Sikh separatists abroad, and the operations undertaken by the Army to remove terrorists, criminals and their weapons from sacred places of worship. Some issues which have arisen in this context are also briefly discussed.

## II

### DEMANDS OF THE SHIROMANI AKALI DAL AND GOVERNMENT RESPONSE

The agitation started by the Akali Dal was originally in support of a set of demands. In September 1981 the Akali Dal forwarded to the Government a list of 45 demands (Annexure I). In October 1981 they submitted a revised list of 15 demands (Annexure II).

Some of these demands had their origin in a resolution adopted by the Akali Dal at a meeting held at Anandpur Sahib on October 16 and 17, 1973, generally known as the Anandpur Sahib Resolution. This Resolution *inter alia* states:

"The areas which have been taken away from Punjab or have been intentionally kept apart e.g. Dalhousie from District Gurdaspur, Chandigarh, Pinjore, Kalka and Ambala City in District Ambala, whole Una Tehsil of Hoshiarpur district, Desh Ilaga of Nalagarh, Shahbad block of District Karnal, sub Tehsils of Guhla and Tohana, Rattia Block of District Hissar and Sirsa Tehsil, 6 Tehsils of District Ganganagar of Rajasthan and the contiguous Punjabi speaking Sikh-populated areas, should be immediately merged with Punjab under one administrative unit".

The Resolution further states:



"In this new Punjab, the Central Intervention should be restricted to Defence, Foreign Affairs, Posts and Telegraphs, Currency and Railways".

A different version of the Anandpur Sahib Resolution was put forth by the Akali Dal (Talwandi Group) at a World Sikh Convention in Anandpur Sahib in April 1981. This Resolution states *inter alia*:

"an Autonomous Region in the North of India should be set up forthwith wherein the Sikhs' interests are constitutionally recognised as of primary and special importance".

and

"the Sikh Autonomous Region may be conceded and declared as entitled to frame its own Constitution and basis of having all powers to and from itself except foreign relations, defence and general communications".

Yet another version of the Anandpur Sahib Resolution authenticated by Sant Harchand Singh Longowal, President of the Akali Dal, was issued in November 1982 (Annexure III). This version asks for the merger of all Punjabi speaking areas "to constitute a single administrative unit where the interests of Sikhs and Sikhism are specially protected".

On receipt of the Akali Dal's demands, the Prime Minister invited representatives of the Akali Dal to a meeting on October 16, 1981. Thereafter the Prime Minister met them again on two occasions in November 1981 and April 1982. The process of consultation and discussion has not been interrupted by the Government since then. There have been several rounds of talks between representatives of Government and the Akali Dal leaders, both open and secret as well as tripartite discussions in which leaders of Opposition parties in Parliament also participated (Annexure IV).

Throughout these discussions Government's attitude was, as the Prime Minister said in her broadcast to the nation on June 2, 1984, one of accommodation of all reasonable demands. Government did not approach the negotiations in any narrow party interest. The larger national considerations of preserving the unity and integrity of the country were the guiding principles followed by Government. Wherever the demands did not involve other States or where they could be integrated into a wider framework, there was no hesitation in accepting them.

The main issues discussed with the Akali Dal representatives fall into three broad categories, viz.,

- (i) those which concern the Sikh community as a religious group,
  - (ii) those which relate to other States besides Punjab, and
  - (iii) general issues.
- (i) Demands which concern the Sikh community as a religious group

The religious demands finally put forward by the Akali Dal were:

- (a) Grant of 'holy city' status to Amritsar on the pattern of Haridwar, Kashi and Kurukshetra;

- (b) Installation of 'Harmandir Radio' at the Golden Temple to relay kirtan;
- (c) Permission to Sikhs travelling by air to wear kirpans on domestic and international flights; and
- (d) Enactment of All India Gurdwara Act.

(a) Grant of 'holy city' status to Amritsar: With regard to the demand for grant of 'holy city' status to Amritsar, it was pointed out to the Akali Dal representatives at the very beginning that the precedents they cited did not exist, as Government had not conferred 'holy city' status on the cities mentioned or any other city. However, restrictions on the sale of meat or liquor in demarcated areas of cities like Haridwar and Kurukshetra had been imposed by the local authorities or State Governments in deference to the susceptibilities of pilgrims. There are no restrictions in Kashi (Varanasi). It was indicated that action could be taken on these lines in Amritsar also. The Prime Minister suggested a committee could go into this question to recommend a suitable line of action. The Shiromani Gurdwara Parbandhak Committee (SGPC) showed no interest in cooperating with the concerned authorities in this matter.

On February 27, 1983, the Prime Minister, while making certain announcements with regard to the religious demands, stated that the sale of tobacco, liquor and meat would be banned in a demarcated area around the Golden Temple as well as the Durgiana Temple in Amritsar. In pursuance of this announcement, shops selling tobacco, liquor and meat within a radius of 200 metres of Harmandir Sahib and Durgiana Temple have already been shifted. Signboards to this effect have also since been put up. Despite this, the Akali Dal has recently again raised its demand for grant of 'holy city' status to Amritsar and asked for a ban on the sale of tobacco, liquor and meat in the entire walled city of Amritsar. The grant of 'holy city' status as such to any city would not be in keeping with the secular nature of our Constitution.

(b) Installation of transmitter station at the Golden Temple: During discussions with the representatives of Akali Dal, Government pointed out that private radio broadcasting facilities are not allowed to any group anywhere in the country as a matter of national policy. However, the Government offered to arrange for direct relay of shabad kirtan from the Golden Temple through the Jalandhar station of All India Radio. The Akali Dal representatives then insisted that such relays should be allowed for two hours in the morning and one hour in the evening. Government announced its readiness to allow relays of kirtan for 1½ hours in the morning and ½ hour in the evening and instructed the All India Radio authorities to make necessary arrangements for this in consultation with the SGPC. The SGPC, however, did not extend the requisite facilities and insisted on the relay being for a minimum duration of three hours. The Home Minister, in his statement of June 22, 1983, suggested that the question of timing and duration could be discussed but a beginning might be made immediately with the



relay of 1½ hours in the morning. However, no progress could be made due to lack of cooperation from the SGPC authorities. Relay of kirtan has since commenced from Harmandir Sahib with effect from June 8, 1984.

(c) **Carrying kirpans on flights:** The Akali Dal demanded that Sikhs travelling by air should be permitted to carry kirpans on domestic as well as international flights. Although the Government have always respected the constitutional provision recognising the wearing of kirpans by Sikhs, certain restrictions had been imposed on carrying kirpans on flights after the hijacking incident of September 1981. However, in deference to the sentiments of the Sikh community, instructions were issued in February 1983 permitting Sikh passengers to carry kirpans which do not exceed 22.8 cms (9 inch) in length and whose blade length does not exceed 15.24 cms (6 inch) on domestic flights. The Akali Dal representatives agreed to this.

As regards international flights, it was explained that Air India cannot act independently as it is bound by international regulations and conventions about the carrying of weapons.

(d) **All India Gurdwara Act:** The Akali Dal's demand for the enactment of an All India Gurdwara Act, bringing all historical gurdwaras situated in different parts of the country under the purview of one administration has wide ranging implications. In various meetings Government told the Akali Dal leaders that they would be willing to consider the suggestion subject to consultations with other interested parties and the Shiromani Gurdwara Parbandhak Committee. On February 27, 1983 the Prime Minister announced that Governments of the States where the gurdwaras are located and the managements of the gurdwaras would be consulted to arrive at the consensus needed for enacting such a legislation. The Akali Dal did not give any definitive list of historical gurdwaras proposed to be brought under the purview of this legislation. At different meetings, different numbers of such gurdwaras were given, ranging from 10 to 30.

Government have received a large number of representations from many sections of the people against such legislation. Some of the committees managing historical gurdwaras outside Punjab have also expressed their unwillingness to bring these gurdwaras under SGPC control. In undertaking any such legislation, Government would have to keep in mind the views of other interested parties and the State Governments concerned. However, without appreciating the inherent difficulties, the Akali Dal continues to blame the Government for the delay.

**Disputes which relate to other States besides Punjab**

(a) **River waters:** The agreement on the allocation of surplus waters of Ravi-Beas reached in December 1981 was the result of exhaustive discussions among the representatives of the Punjab, Haryana and Rajasthan Governments and of the Central Government. Later water flow series showed the availability of Ravi-Beas surplus waters to be 17.17 MAF against the ear-

lier estimated availability of 15.85 MAF. This meant that some additional quantity of water became allocable to pre-partition Punjab which could be shared between Punjab and Haryana. According to the 1981 Agreement the additional water allocable to pre-partition Punjab was allotted to Punjab alone. In the final allocation made between the two States under the 1981 agreement the share of Punjab was raised to 4.22 MAF and the share of Haryana was retained at 3.50 MAF. In addition, out of Rajasthan's share, until such time as Rajasthan was in a position to utilise its full share, Punjab was allowed to use water which was surplus to Rajasthan's requirements.

During the tripartite talks held in January-February 1983 in New Delhi, the representatives of the Akali Dal pressed their view that the allocation of waters under the 1955 Agreement between pre-partition Punjab and Rajasthan should be reopened on the ground that Rajasthan had been given more than it was entitled to.

It was pointed out to the representatives of the Akali Dal that after the partition of India, the distribution of waters of the rivers of the Punjab remained an unresolved issue between India and Pakistan, and Pakistan had argued that India was not in a position to utilise the waters it claimed. The settlement about India's share of Indus waters was reached accepting the validity of India's claim that water would be utilised to irrigate the arid and dry lands of the Indus basin in Rajasthan. On the basis of the Agreement of 1955, Rajasthan has built a vast infra-structure at a cost of over Rs 600 crore (Rs 6,000 million) and therefore it was explained that it would not be correct to reopen this issue nearly three decades after the Agreement. In the tripartite meetings held in early February, 1983, to which Akali Dal representatives were a party, a consensus emerged that the 1955 Agreement should not be re-opened in any reference that may be made to a tribunal for the settlement of the River Waters dispute between Punjab and Haryana.

During the discussions on the river waters dispute the representatives of the Akali Dal have been insisting that Yamuna waters should also be taken into account. Punjab's rights as a successor State of the erstwhile undivided Punjab have been delineated under the Punjab Reorganisation Act, 1966 in which the waters of Yamuna are not included and the Government therefore maintained that the Yamuna waters were not an issue to be included in the terms of reference to the tribunal.

After a series of protracted discussions and taking into account the views of the States of Punjab, Haryana and Rajasthan the following formula for settling the river waters issue was put to the Akali Dal representatives:

- (1) The Agreement of 31 December, 1981 between the Governments of Punjab, Haryana and Rajasthan regarding allocation of surplus flows of the Ravi-Beas will be treated as rescinded. The Notification of the Government of India, Ministry of Agriculture and Irrigation, Department of Irrigation, dated

# ARMS AND EXPLOSIVES RECOVERED

	In the Golden Temple area	Other religious places	Curfew vio- lation/cor- don and search operations in other areas	Total
(a) Light machine guns	41	—	—	41
(b) Sten guns	37	7	32	96
(c) Point 303 rifles	377	5	50	432
(d) 7.62 mm self loading rifles	83	—	15	98
(e) 12 bore guns	88	51	204	343
(f) 7.62 mm Chinese rifles	32	—	—	32
(g) Assorted rifles	71	21	36	128
(h) Revolvers all types	49	15	25	89
(i) Pistols all types	33	10	65	108
(j) Pistols country-made 12 bore	61	17	11	89
(k) RPG (anti-tank weapons)	2	—	—	2
(l) 2 inch mortar country-made	—	—	3	3
(m) Mines	128	—	—	128
(n) Ammunition/explosives—large quanti- ties have been recovered.				
(o) HF transmitter/receiver	1			
(p) Gold	5.4 kgs			
(q) Silver	1.14 kgs			
(r) Precious stones	1.442 kgs			
(s) Cash	Over Rs.— Rs 1,53,550 30 lakhs			Over Rs 31,53,550
(t) Grenade manufacturing plant	1			
(u) Sten parts manufacturing shop	1			
(v) Pak currency	—	—	Rs 1,23,906	Rs 1,23,906
(w) Masks	—	5		

- March 24, 1976 under Sub-Section I of Section 78 of the Punjab Reorganisation Act 1966 will be treated as withdrawn.
- (2) The dispute between Punjab and Haryana with reference to the surplus waters of Ravi-Beas will be referred to a tribunal presided over by a judge of the Supreme Court to be appointed under the Inter-State Water Disputes Act, 1956, to determine afresh the allocation between the two States.
  - (3) Pending the final decision of the tribunal, the allocation of water between Punjab and Haryana will be decided on a year to year basis by the said tribunal.
  - (4) The Tribunal will be requested to give its decision within a period of two years. The decision of the tribunal shall be final and binding on the two States.
  - (5) Punjab shall take immediate steps to construct the Sutlej-Yamuna canal and complete it within a period of two years.
  - (6) Suitable legal and administrative steps will be taken expeditiously to implement the above.

However, later the Akali Dal representatives resiled from the consensus reached earlier and took the stand that the scope of the reference to the tribunal should cover the 1955 Agreement with Rajasthan and the question of the Yamuna waters. Obviously, this was unacceptable to the Central Government as well as to the Governments of Haryana and Rajasthan.

In one of the meetings with the representatives of the Akali Dal, the Prime Minister had assured them that the interests of Punjab would not be affected and she suggested that a committee of experts should go into the whole question of augmenting the availability of water in the basin and that Government would give priority consideration to its recommendations. Even these assurances had no effect in changing the rigid position of the Akali Dal representatives on this issue.

(b) **Territorial Issue:** The demand regarding territories proved to be the most contentious. It will be recalled that in 1966 the Shah Commission had recommended that Chandigarh be given to Haryana. However in 1970, Smt Indira

Gandhi, as Prime Minister, announced that Chandigarh would go to Punjab. Under this decision —

(1) The Capital project area of Chandigarh would go to Punjab; (2) A part of Fazilka Tehsil (including Abohar) of Ferozepur District of Punjab would be transferred to Haryana; and (3) As regards other claims and counter-claims for the readjustment of inter-state boundaries, a Commission would be appointed.

The above decision could not, however, be implemented because of the subsequent change in the attitude in the State.

The present demand is that while Chandigarh should be immediately transferred to Punjab, all other claims and counter-claims, including those relating to Abohar and Fazilka, should be referred to a Commission.

The Government have done their utmost to be helpful, without being unfair to either State, and have announced their willingness to abide by any one of the following four alternatives:

(1) Implementation of the 1970 decision; (2) Referring all disputes and claims including Chandigarh to a new Commission; (3) Dividing Chandigarh between Punjab and Haryana, with Punjab getting the major share, and referring the remaining disputes to a Commission; or (4) Adopting any other alternative acceptable to both States.

Within the above framework, a large number of different formulations were proposed. But none of them was acceptable to the Akali Dal leadership. The Prime Minister had repeatedly declared in Parliament that the Government stood by its decision that Chandigarh should go to Punjab provided that Haryana was suitably compensated.

As late as on June 2, 1984 the Prime Minister in her broadcast to the nation, reiterated that Chandigarh would go to Punjab provided Haryana gets its share of some Hindi speaking areas which are now in Punjab. The position of the representatives of the Akali Dal on this issue has remained unchanged, viz. that Government should transfer Chandigarh to Punjab and refer all other claims and counter-claims, including those on Abohar-Fazilka to a Commission to be decided on the basis of village as the unit and language and contiguity as the principle. The Haryana Government was willing to give up its claim on Chandigarh, but wanted transfer of territory from Punjab on the basis of the 1970 decision or on any other basis which could be arrived at by mutual agreement. The stalemate on this issue continues.

It will be seen from the extracts from the Anandpur Sahib Resolution quoted earlier in this paper, that the Akali Dal has claims on certain territories in Rajasthan and Himachal Pradesh on the ground that they are "Punjabi speaking Sikh populated areas". It was made clear to the Akali Dal representatives that any settlement on territorial issues with Haryana would have to be on the basis of a commitment from them that they would not press any more claims on territories belonging to other States.

### (III) General Issues

(a) Centre-State Relations: The Akali Dal demand on Centre-State relations reads as follows: "As per the Anandpur Sahib Resolution, the S.A. Dal is firmly convinced that progress of States would entail prosperity of the Centre, for which suitable amendments should be made in the Constitution to give more rights and provincial autonomy to States. The Centre should retain Foreign Affairs, Defence, Currency and Communications (including means of transport) while the remaining portfolios should be with the States. Besides, the Sikhs should enjoy special rights as a nation."

The question of Centre-State relations has wider all-India implications and cannot be discussed exclusively in the context of Punjab. This position was widely accepted by Opposition leaders during the tripartite discussions in January-February 1983. It was specifically mentioned during the discussions that decision in this regard could not conceivably be related to the Anandpur Sahib Resolution.

Recognising the importance of the subject, the Government set up in June 1983, a Commission under the Chairmanship of Shri Justice Ranjit Singh Sarkaria to examine and review the work of the existing arrangements between the Union and the states in regard to powers, functions and responsibilities in all spheres and recommend such changes or other measures as may be appropriate. The Commission was to keep in view the scheme and framework of the Constitution designed to ensure the unity and integrity of the country. The Government's decision to initiate such a comprehensive review of Centre-State relations should have satisfied the Akali Dal, as it did other Opposition parties which had also raised this issue. But the Akali Dal was adamant that Government should make specific mention of the Anandpur Sahib Resolution while referring the matter to the Sarkaria Commission.

In fact in a tripartite meeting the Akali Dal representatives had agreed not to press this but later in his letter to the Home Minister, Sant Harchand Singh Longowal, President of the Akali Dal reiterated the demand.

The position of the Government has been stated unambiguously on more than one occasion. The propositions contained in the Anandpur Sahib Resolution on Centre-State relations are at total variance with the basic concept of the unity and integrity of the nation as expressed in our Constitution. These cannot be accepted even as a basis for discussion.

The people of India do not accept the proposition that India is a multi-national society. The Indian people constitute one nation. India has expressed through her civilisation over the ages, her strong underlying unity in the midst of diversity of language, religion, etc. The affirmation of India's nationhood after a long and historic confrontation with imperialism does not brook any challenge. However, Government have made it clear to the representatives of the Akali Dal that it is open to them to make any submissions it wishes before the Sarkaria Commission within its terms of reference.



(b) Other Demands: Among their other demands, the Akali Dal representatives emphasized the following two as issues of special concern to them:

(i) Grant of Second language status to Punjabi language in Haryana, Delhi, Himachal Pradesh and Rajasthan, (ii) Stopping the uprooting of Punjabi farmers from Terai area of Uttar Pradesh.

(i) Second language status for Punjabi language: The Akali Dal has been demanding that in areas of Haryana and Rajasthan where there is a sizable Punjabi speaking population, Punjabi should be taught as a second language in schools. During the talks, the Akali Dal leaders elaborated that whereas in Punjab, Hindi is taught in schools from the fifth standard, in Haryana, languages like Telugu or Sanskrit have been chosen under the three-language formula.

When they raised this issue, the three-language formula agreed at the Chief Ministers' Conference in 1961 was explained to them and it was suggested that the Chief Ministers concerned should be able to arrive at a workable solution.

The States have already taken various measures and the position is as follows:

Primary stage: Orders exist in Delhi, Haryana, Rajasthan and Himachal Pradesh for provision of facilities to teach Punjabi at the primary level by appointing at least one teacher, provided there are not less than 40 pupils who are desirous of learning that language in the whole school or 10 such pupils in a class.

Secondary stage: The State Governments are following the three-language formula as accepted by the Chief Ministers. Instructions of the State Governments exist in Delhi, Rajasthan and Haryana for provision of facilities to teach the Punjabi language under this formula.

(ii) Punjabi farmers in the Terai region of Uttar Pradesh: The Akali Dal representatives complained that Sikh farmers in Terai were being 'uprooted', 'ejected' and 'arrested'. The State Government have denied this. They have said that their policy was to discourage unauthorised occupation of tribal land and that no orders had been issued to eject or uproot lawful landholders of whatever origin. They have pointed out that out of approximately 7860 unauthorised occupants, more than 5000 were from UP itself, and one common policy was being followed with regard to all such persons. The principal object of the State legislation on this subject was to prevent farther alienation of tribal land and to restore to them the land they had lost. Before 1947 the Tharu and Buxar tribes were cultivating about 2.25 lakh acres (0.225 million acres) of land in the Terai-Bhabar area of District Nainital. This position had gradually changed to the disadvantage of the tribals and they were now recorded as tenure holders of only about 0.80 lakh acres, of which also they had lost possession of another 16,500 acres to non-tribals. The State Government took action in this context to protect tribal interests.

It was explained to the Akali Dal leaders that almost every State had framed legislation in pursuance of the accepted policy of preventing

alienation of tribal land. In any event, the UP Government had specifically directed the District Magistrates to take action only in accordance with the principles of natural justice and within the framework of the law.

(c) Amendment of Article 25(2)(b) of the Constitution: Even as the negotiations were continuing on the various demands placed before Government earlier by the Akali Dal, the Akali Dal raised a completely new demand in January 1984 asking for an amendment of Article 25(2)(b) of the Constitution and almost simultaneously announced an agitation which included the burning and mutilation of copies of the Constitution of India.

Even in March 1984, when the Akali Dal first mentioned this demand in a communication to the Government, the purport of the amendment sought was not clarified. The fact that the Akali Dal had not precisely formulated its own views is evident from the press reports of May 1, 1984 that the SGPC President had constituted a 21-member committee of experts to suggest relevant amendments to Article 25.

Government maintain that Article 25(2)(b), far from weakening the distinct identity of the Sikh community was in fact a recognition of that identity. Nevertheless, since doubts had been raised, the Home Minister issued a statement on March 31, 1984 that the Government would be prepared to consult the SGPC and other representatives of the Sikh community as well as legal experts, and undertake such legislation by way of amendment as may be necessary to remove such doubts. The SGPC was also invited to send its suggestions or proposals in this regard in order to enable the Government to give further consideration. The Akali Dal leaders arrested in connection with the agitation for the amendment to Article 25 were released from jail so as to create a more congenial climate for a dialogue.

The Akali Dal also sought to link the demand for the amendment of Article 25 with the idea of a separate personal law for the Sikhs. However no proposals have been given to the Government for consideration, nor is it clear as to what changes are wanted in the existing laws and for what reasons.

The timing and manner in which the Government was pressed to accept the demand to amend Article 25 of the Constitution are typical of the Akali Dal's approach to negotiations. When after protracted discussions an agreement appeared to have been reached on some issues, new issues were raised, thereby frustrating any possibility of a settlement. The demands were often put forward without the Akali Dal having worked out all the relevant implications for the Sikh community itself. The Akali Dal appeared to want to keep an agitation going on some issue or other. Every few months there was a call for a new morcha or bandh, each new agitation being more violent and dangerous than the previous one.

The comprehensive statement made by the Home Minister on February 28, 1984 regarding the negotiations with the Akali Dal and the Prime Minister's broadcast to the nation on June 2, 1984 are at Annexure (v) and Annexure (vi) respectively.



### TERROR AND VIOLENCE IN PUNJAB

The violence associated with the sectarian-feud between some fundamentalist Sikhs and Nirankaris, was the starting point of the tragic events in Punjab. There were killings in the clashes of April 1978 and later, climaxed by the assassination of Baba Gurbachan Singh, the spiritual head of the Nirankaris on April, 24 1980. Thereafter, dogmatism and extremism, accompanied by terror and violence, were to overwhelm the political life of Punjab. The consequences of this determined assault on society cannot be measured simply in terms of the number of people killed or injured. The whole thrust of extremist violence was to fragment the people of Punjab and destroy their common culture.

**Structure of violence:** It is paradoxical that communal separatism should have become an integral part of a movement that was started in the name of grievances of all Punjabis, irrespective of their religion. This outcome was dictated by the interaction of the forces at work. The agitation of the Akali Dal, the virulent communalism bred by extremism and the secessionist and anti-national activities of a small group, largely supported by external elements, formed a symbiotic relationship. Added to this was the combination of several disparate groups and individuals such as smugglers, other criminals and Naxalites who took advantage of the unsettled conditions. Many who thought that the political aspect could be isolated from the problems of terrorism and secessionism overlooked the complex and changing pattern of these relationships. However, the politics of extremist violence have their own dynamic. It is only a matter of time before they subjugate other tendencies. This has happened before, and it is not surprising that in Punjab also violence and terror gained the upper hand.

Not only did the Akali Dal not disapprove the merciless killings of those who did not agree with the objectives and the methods of murder, arson and loot, it persistently refused to acknowledge the close connection between its agitational programme and the violence which was enveloping the whole State. In spite of professing Hindu-Sikh amity, it did not denounce the poisonous propaganda of communal fanatics. The misuse of the Golden Temple and other shrines to accumulate large quantities of arms and ammunition, to shelter murderers and criminals, and to make detailed preparations for subversion and insurgency was not condemned by the Akali Dal leadership who even denied the very existence of such activities.

The structure of violence in Punjab was built, step by step, by an aggressive group that knew its mind and was confident that the political leadership spearheading the agitation would not call it to account.

Even before the Akali Dal submitted its demands to Government, the All India Sikh Students Federation (AISSF) and other organisations were holding rallies and processions in Amritsar. Slogans of "Khalistan Zindabad" were raised and communal tension

was deliberately generated. Soon thereafter, Lala Jagat Narain was murdered in September 1981 because of his criticism of the murders of Nirankaris. Shri Bhindranwale was arrested on September 20, 1981 in connection with the murder. There was large scale violence in which police were attacked with deadly weapons near Chowk Mehta. The police resorted to firing which a judicial enquiry found to be justified. The same day four persons were killed in Jalandhar and several injured by a gang of motorcycle rider. Thus started the cult of random killings by motorcyclists which was to plague Punjab for the next three years. On September 29, 1981 an Indian Airlines plane was hijacked to Lahore by some Sikh extremists, who are still in Pakistan in spite of the matter having been taken up with the Pakistan Government.

All this formed the backdrop for the start of the Akali Dal agitation.

**The Akali Dal agitation:** Even though the Prime Minister met the Akali Dal leaders in October 1981 and again in November 1981 and April 1982, and negotiations were in progress, the Akali Dal announced a programme of obstructing digging of the Sutlej-Yamuna Link Canal and non-repayment of Government loans. Agitations took place on April, 24 1982 and again on May 24, 1982.

The tensions generated by the Akali Dal agitation suited the various militant groups who had joined it. The Dal Khalsa openly incited communal passions. On April 26, 1982 it claimed responsibility for serious acts of sacrilege against Hindu temples and declared its intention of repeating them. A cow slaughter campaign with grave potential for aggravating communal tension was threatened. The Dal Khalsa and the National Council of Khalistan were declared unlawful associations on May 1, 1982.

**The growth of militancy:** Following the arrest on July 19, 1982 of Shri Amrik Singh, president, AISSF and others in connection with a case of attempted murder, Shri Bhindranwale shifted his headquarters from Chowk Mehta to Guru Nanak Niwas within the Golden Temple complex. This move had significant implications for the developments to follow. A morchha started for Shri Amrik Singh's unconditional release.

In spite of this surcharged atmosphere, the Akali Dal intensified its morchha from August 4, 1982, describing it as a 'Dharam Yudh'. Two incidents of hijacking of Indian Airlines planes followed. On August 20, 1982 in Jalandhar district there was an attempt on the life of the then Chief Minister, Shri Darbara Singh.

Shri Bhindranwale and others now operating directly from the Golden Temple complex began to extol and instigate violence. Extremists and terrorists made more blatant use of the premises of the Golden Temple. Shri Balbir Singh Sandhu of the National Council of Khalistan also made his appearance there. All efforts of the State authorities to persuade the SGPC to hand over wanted persons drew no response.

On September 11, 1982 there was an acci-



dent at an unmanned railway crossing at Tarn Taran in which some Akali Dal undertrials lost their lives. The Akali Dal projected this as a deliberate attempt to kill them. The religious rites for the dead culminated in a violent demonstration before Parliament on October 11, 1982.

**Government's gesture and Akali Dal reaction:** Government released all arrested Akali Dal agitators in October 1982 as a gesture of goodwill and to facilitate talks. However, the Akali Dal leadership directed the agitators not to leave the jails. Provocative speeches led to fresh violence in Amritsar on October 26, 1982 when hand grenades were thrown at a Ramnaumi procession. On 4 November, 1982 the Home Minister appealed in the Lok Sabha for a withdrawal or suspension of the agitation. The Akali Dal responded with a new programme for the gherao of the Chief Minister. It is significant that the Akali Dal particularly chose national occasions such as Republic Day to stage agitations or to synchronise them with events involving India's prestige in the international community. Demonstrations were threatened on the occasion of the Asian Games in November-December 1982, and a pamphlet containing baseless allegations maligning the Government was circulated on behalf of the Akali Dal at the meeting of the Heads of Governments of the Commonwealth countries in November 1983.

The Akali Dal declared that if its demands were not accepted by February 21, 1983 the fight would be taken to the streets. Sikh masses were exhorted to adopt a programme of do-or-die and recruitment of Shaheedi volunteers (a suicide squad) was started.

As discussions were in progress a fresh appeal was made to the Akali Dal leadership on 31 March, 1983 to call off their agitation. The response was a 'rasta roko' (obstruct road traffic) agitation in Punjab on April 4, 1983 which led to violence and arson at a number of places.

On May 30, 1983 the Home Minister wrote to Sant Harchand Singh Longowal suggesting the resumption of talks; the Akali Dal announced a 'rail roko' (stop trains) programme for June 17, 1983. A 'kam roko' (stop work) agitation was organised on August 29, 1983 with another rash of violence.

**Terror escalates:** Throughout this period the extremists were attacking conscientious police officers who were doing their duty of enforcing the law. The gravest of all such crimes was the dastardly murder of Shri A. S. Atwal, DIG, Jalandhar Range, on April 25, 1983 just as he was coming out of the Darbar Sahib after prayers. The assailant came from within the Golden Temple and ran back to its shelter after committing the crime. There were numerous encounters between the police and extremists in which there were a number of police casualties. Explosions killed many. The selective killings of Nirankaris and others continued.

The AISSF, originally founded in 1944 to inculcate love for the teachings of the great Gurus among Sikh youth, was taken over by extremists, and its members began to kill and indulge in other acts of violence. From June 1983 onwards an organised attempt was made to use

Gurmat camps to propagate extremism and communal ideology and to impart training in arms. Pro-Pakistan and Khalistan slogans were defiantly raised in several camps.

**The communal dimension:** A new dimension to the escalating violence was given in September 1983 with a deliberate move to kill members of the Hindu community. On September 28, 1983 there was indiscriminate firing on persons on their morning walk in Jagraon in Ludhiana district. This was followed by the hijacking of a bus on October 5, 1983 near Dhillwan in Kapurthala district and the cold blooded murder of six Hindu passengers after segregating them from other passengers.

On October 21, 1983 sabotage derailed the Sealdah-Jammu Tawi Express killing 19 passengers. On November 18, 1983, another 4 Hindu passengers travelling in a bus were killed in District Amritsar.

The Chief Minister, Punjab, resigned because the developments in the State had acquired a dimension which had implications for the security and the unity and integrity of the country. Punjab was brought under President's rule with effect from October 6, 1983 and a number of administrative and legal measures were taken to curb terrorism. The Punjab Disturbed Areas Ordinance, 1983 and the Chandigarh Disturbed Areas Ordinance, 1983 were promulgated on 7th October, 1983. The Armed Forces (Punjab and Chandigarh) Special Powers Ordinance, 1983 was promulgated on 15th October, 1983. These Ordinances were later passed as Acts of Parliament. Additional Central Forces were deployed in Punjab. In addition to administrative measures, raids and combing operations to recover illicit arms and ammunition were organised, which started yielding some results.

**Misuse of Akal Takht:** Shri Bhindranwale moved from the Guru Nanak Niwas to the Akal Takht with his armed entourage on December 15, 1983. From this sanctuary he and his associates intensified incitements of violence and communal hatred. Several persons arrested have confessed that they committed violent crimes on their specific directions.

An important objective of the extremists was to liquidate those Sikhs who opposed their anti-national activities. A very large number of Sikhs—police personnel, politicians, religious and spiritual leaders—were murdered to frighten the law abiding masses into submission. A similar fate befell those within the Golden Temple who were suspected or judged to have defied the authority of the extremists. Several were tortured and subjected to painful death, their bodies then being thrown into open drains. Apart from these the desecration of the Temple complex extended to other, equally reprehensible, forms. The SGPC and the Akali Dal did nothing to stop such savagery and depravity nor even to condemn them. They did not seem concerned at such desecration of this holy shrine, held sacred by millions of people, Sikhs and Hindus.

Ignoring the glaring fact that every call for a morcha or a bandh had triggered off serious incidents of violence, the Akali Dal announced on

January 26, 1984 a programme of burning Article 25 of the Constitution of India. A Punjab bandh was called on February 8, 1984. A new organisation, the Hindu Suraksha Samiti which had been formed in 1981, in its turn called for a bandh on February 14, 1984. This again led to serious clashes and violence in various places in which 11 persons died. Some members of extremist Hindu organisations committed the sacrilege of damaging the model of the Golden Temple and a picture of Guru Ram Dass at the Amritsar Railway Station.

By this time the extremists occupying the Golden Temple complex and those who had fanned out all over Punjab felt bold enough to engage the security forces. There was frequent firing from buildings near the Golden Temple on police personnel.

People lived in constant fear. Mere suspicion that anyone had given information about the criminal activities of terrorists provoked instant reprisal. People were dared not talk about the crimes they had witnessed, let alone give evidence about them in courts of law. Even the judiciary, was subjected to intimidation. Thus, law enforcing agencies were severely handicapped. This enabled those arrested to be released and the accused to go unpunished. Several tenants and house owners in the proximity of the Golden Temple were forcibly evicted from their dwellings. The Mahant of the Brahma Buta Akhara was summarily deposed and confined by terrorists and the building converted to a fortified outpost for attacking paramilitary forces. Professional criminals and anti-social elements, enjoyed the protection of various anti-national groups in the Golden Temple. The people felt demoralised by, and defenceless against this unending lawlessness.

**The February 1984 negotiations:** Government convened another tripartite meeting on February 14, 1984. Significantly, the resumption of negotiations accompanied by a new wave of violence in Punjab. There were also several incidents of violence in Haryana. More innocent lives were lost including those of 8 Sikhs in Panipat on February 19, 1984.

The tripartite meeting adjourned on February 15 to meet again within a few days, but the Akali Dal leaders did not return. Terrorist gangs roamed all over the State killing people at random. Nine were shot dead on February 21, 1984, 12 on February 22, 11 on February 23 and again 3 on February 24. Attempts were made on the life of Shri Ved Pal, Deputy Speaker, Haryana Vidhan Sabha (Assembly) and Shri Darbara Singh, former Chief Minister of Punjab. Shri H S Manchanda, president of the Delhi Gurdwara Parbandhak Committee, was shot dead in Delhi on March 28, 1984 and Dr V N Tewari, MP, a professor at the Panjab University who had done much for the Punjabi language, on April 3, 1984, at Chandigarh.

Sant Harchand Singh Longowal gave a new call for "Panth Azad week" to be observed from April 2, 1984. This was withdrawn after the Home Minister's statement that the demand for the amendment of Article 25 (2) (b) of the Constitution could be considered. But enormous

damage to the already embittered situation in Punjab was already done.

Evidence mounted of well planned efforts to completely disrupt normal life in Punjab. Looting of banks and business establishment was carried out by anti-social and other criminal elements associated with the terrorist movement on a more systematic and wider scale. Over the period from October 1, 1983 to May 31, 1984, 24 banks were robbed. Large amounts of cash were looted and guards and other personnel killed. Between April 14 and 16, 1984 a massive operation was undertaken to commit arson at as many as 39 wayside and mostly unmanned railway stations, apparently as a show of strength.

From August 4, 1982, when the Akali Morcha was started up to June 3, 1984, there were over 1200 violent incidents in which 410 persons were killed and more than 1180 injured. From January 1, 1984 to June 3, 1984, there were over 775 violent incidents in which 298 persons were killed and more than 525 injured.

**The killings of April-May 1984:** The uninterrupted story of killings, arson and loot which attained peaks of intensity and virulence at different stages during 1981-84 is described yearwise and monthwise in Annexure VII. It is necessary, however, to highlight the main events of April-May 1984, because they bring out fully the real character and designs of the terrorists. A Principal of a College in Ferozepur was shot dead on April 1, 1984. The AISSF indulged in widespread acts of arson to prevent the holding of examinations. On April 2, 1984, Shri Harbans Lal Khanna, former MLA and BJP leader, was shot dead inside his own shop. The murder of Shri Surinder Singh Sodhi on April 14, 1984 created serious tension between the Akali Dal leaders and Shri Bhindranwale, but by now the latter was in a position to dictate terms. The murderer was immediately killed and Smt Baljit Kaur, who was said to have been involved in Shri Sodhi's murder was also killed and her mangled body thrown outside in a gunny sack.

On April 26, 1984 the security forces were fired upon from inside the gurdwara at Moga. Singh Sahib Giani Partap Singh, one of the most revered spiritual leaders and former Jathedar of Shri Akal Takht Sahib, was murdered on May 10, 1984. Mahant Gopal Das and his disciple were killed on May 14; Shri Niranjan Singh, Granthi of Gurdwara Toot Sahib was killed on May 14, 1984; Granthi Surat Singh of village Majauli was shot dead on the night of May 16-17, and Shri Jarnail Singh, Granthi of a gurdwara in village Valtola was murdered on May 17-18, 1984. Priests and religious leaders were being intimidated to unquestioningly accept Shri Bhindranwale's directions. Shri Ramesh Chandra, Editor of the Hind Samachar Group of newspapers and son of Lala Jagat Narain, who had himself been murdered, was killed on May 12, 1984.

The security forces checked a 'kar sewa' truck on May 11, 1984 and recovered ten guns, arms and ammunition. The truck was found to be registered in the name of Shri Jarnail Singh Bhindranwale. Terrorists using automatic weapons continued to attack camps of security forces.

The terrorists had by now occupied some of the private houses in the neighbourhood of the Golden Temple with a view to improving their tactical position. Extremists exhorted money and Shri Bhindranwale started summarily deciding industrial and land disputes and even personal matters.

Government has also received reliable information about violent clashes between various groups living within the premises of the Golden Temple complex, including the followers of Sant Longowal and Shri Bhindranwale. An attempt was made by the high priests headed by the Head Priest of the Akal Takht in May, 1984 to make both groups agree to the stopping of murders and tortures within the Temple.

Information was received by Government that Shri Bhindranwale had advocated the killing of Hindus in Punjab so as to set in motion a general exodus. On some days as many as a dozen killings were reported. Terrorists in the rural areas were instructed that in the event of any Government action, they should go ahead on their own to kill Hindus and Central Government employees and to move in large numbers to the Temple. Although the Sikh masses broadly remained unaffected by these developments it was obvious that a situation of insurgency in open defiance of constituted authority was building up. Shri Bhindranwale's outlook is best revealed in his own statements, some excerpts of which are given at Annexure VIII.

**Akali Dal calls for a new agitation from June 3:** The unprecedented orgy of violence in April and May 1984 left the Akali Dal unmoved. Even at this late stage the Akali Dal could have drawn back from the precipice of anarchy. But it chose to call for another agitation to start on June 3, 1984. This threatened agitation had all the potential of engulfing the whole State in lawlessness and violence. Akali Dal leaders called upon people to prevent the movement of foodgrains from Punjab to other States by force and to stop payment of taxes and dues to Government.

On its part, the Government continued to make every effort to arrive at a settlement with the Akali Dal leadership. Even in May, 1984 several rounds of talks were held. On May 14, 1984 the detained leaders were released and invited for negotiations by the Home Minister. But even before this there were three meetings. Thereafter, one round of talks was held towards the end of May. An earnest attempt was made to persuade the Akali Dal leadership to withdraw the threatened agitation from June 3, 1984. Unfortunately, Akali Dal positions had hardened and no settlement could be reached. Even a last minute appeal by the Prime Minister in a nation-wide broadcast on June 2, 1984 was spurned.

**Parliament's concern:** Both Houses of Parliament discussed the Punjab situation on a number of occasions. Reflecting the concern of millions throughout the country, members, cutting across party lines, condemned the growing violence and communal and anti-national activities of terrorists. As early as April 29, 1982, Parliament had expressed the nation's sense of dismay and shock at these activities in a Resolution which was moved by the Prime Minister

and adopted unanimously. The text of the Resolution is at Annexure IX. Parliament has continued to affirm the national resolve to meet the menace of terrorism, extremism and communalism, and to uphold the unity and integrity of the country.

**Separatism based abroad:** Sikhs are among the large number of Indians settled or working abroad whose love for India is not in doubt. However, some are misinformed or misled by interested parties, some others may be vulnerable to pressures in those countries. It is not always easy for the affluent settled abroad to identify themselves with the basic socio-economic interests of the working Sikh masses in India. For some of them the troubles in Punjab were a good opportunity to project themselves as leaders of the Sikh community.

However, several secessionist Sikh organizations are operating abroad. The chief among them which have raised the slogan of 'Khalistan' or a 'separate Sikh state' are the National Council of Khalistan, Dal Khalsa, Babbar Khalsa and Akhand Kirtani Jatha. The 'National Council of Khalistan' headed by Dr Jagjit Singh Chauhan is active in the U.K., West Germany, Canada and the USA. The Dal Khalsa activities are mainly in UK and West Germany, while the Babbar Khalsa is operating largely from Vancouver in Canada. The Akhand Kirtani Jatha has units in UK and Canada.

**National Council of Khalistan:** Dr Jagjit Singh Chauhan, the self-styled leader of the so-called Khalistan movement who has designated himself subsequently as "President of the National Council of Khalistan" came to public life through the student wing of the Communist Party. He first raised the slogan of 'Khalistan' at a press conference in London in September, 1971. On April 12, 1980, he announced the formation of 'National Council of Khalistan' with himself as President and Shri Balbir Singh Sandhu as its Secretary-General. Three months later he proclaimed from London the formation of 'Khalistan' and a similar announcement was made in India by Balbir Singh Sandhu. Dr Chauhan has been away from India since then and has been trying to whip up anti-Indian feelings. He has taken to gimmicks, such as, the issue of Khalistan passports, postage stamps and currency notes. His intention was to exploit the sentiments of Sikh residents of Canada and West Germany who are facing difficulties with immigration authorities there. In April, 1981 the Indian passport of Dr Chauhan was revoked and a case for sedition and promoting hatred among different communities was registered against him in August, 1981. He has not surrendered his passport and has managed to stay in UK and to visit Canada, USA and some European countries. He has been organising demonstrations, burning the Indian national flag and making provocative statements. In October, 1982 a group met under his chairmanship in London and called upon the Akali Dal leadership to adopt a programme of non-payment of taxes, civil disobedience and total non-cooperation with the elected government in Punjab.



Dr Chauhan attempted to enter India in March, 1983 via Nepal and Bangladesh but did not succeed. On March 15, in London he was reported to have said that the time was ripe to organise a 10,000-strong guerilla force to strike at specific targets in India. He claimed that 'Khalistan' soldiers would soon start battling with Indian security forces. On May 18, 1983, he claimed that the United States was supporting this so-called Khalistan movement and that he expected to achieve his objectives within four years. He appealed to the US authorities to stop wheat sales to India and asserted that Pakistani military personnel disguised as Sikhs were stationed at Guru Ram Dass Sarai in Amritsar which was under the control of Shri Bhindranwale.

In a letter to Shri Balbir Singh Sandhu on July 13, 1983, he advised that Sant Harchand Singh Longowal and Shri Bhindranwale should form a full-fledged government and parliament and if they were reluctant, the 'National Council of Khalistan' should go ahead on its own. Similar advice was given in December, 1983 to the Akali Dal leaders. On December 29, 1983 he announced that January 26, 1984 would be observed as a 'day of betrayal' when the national flag would be burned and the Khalistan flag would be hoisted. In pursuance of this, Balbir Singh Sandhu raised what he described as the Khalistan flag on that day on one of the buildings near Harmandir Sahib. The Council circulated a resolution indicating that they wanted a separate homeland in India and a voice of their own at the UNO. They issued a map outlining the boundaries of the so-called Khalistan State. Dr Chauhan has been claiming the support of important leaders in foreign countries for his case and has been in touch with several US Congressmen. Despite protests from the Government of India he was able to secure an entry visa to the United States in 1982 and again in March 1983. Dr Chauhan has maintained contacts with organisations such as the Heritage Foundation of Washington and others.

Dr Chauhan has been acting in close liaison with Shri Ganga Singh Dhillon, an American citizen of Indian origin and president of the Nankana Sahib Foundation of Washington. Lately Dr Chauhan along with members of Dal Khalsa and others, have established contacts with leaders of the J&K Liberation Front in UK. According to a statement issued on behalf of Sultan Mohd. Chaudhary, the president of 'Azad' J&K Muslim Conference, Dr Chauhan supported the aims of this organisation in return for their support to Dr Chauhan's objective. In fact as far back as 1981 Dr Chauhan claimed that his movement enjoyed the support of JEL of Pakistan-occupied Kashmir. Some members of the groups claim to be visiting Pakistan regularly. Shri Dhillon has also been canvassing that the Sikhs are a separate nation and maintaining contacts with US Senators, and persons in the higher echelons of the Pakistan administration.

**The Dal Khalsa:** The Dal Khalsa was originally established in India on April 13, 1978 with the avowed object of demanding the creation of an independent sovereign Sikh State. It appears

to have been based on the ideas of the late Giani Bakshish Singh, a pro-Naxalite leader of Birmingham. The Dal Khalsa advocates use of violence to achieve its objectives. According to it "only terror will help us to achieve our target." It is the only language which the 20th Century understands. Jaswant Singh Thakedar, Mukh Panch of the Dal Khalsa, UK said "Political power is not served to anybody on a platter; nor it can be acquired through 'Bhakti', without a guerilla warfare and without an armed revolt it would be impossible to achieve our aim." "Political power flows out of the barrel of a gun. An armed battle is the only way of achieving Khalistan." The organisation was responsible for hijacking an Indian Airlines aircraft to Lahore on September 29, 1981 and the acts of sacrileges at Amritsar on the 26th April, 1982. For its prejudicial activities it was declared an unlawful association under the provisions of the Unlawful Activities (Prevention) Act, 1967 on May 1, 1982.

The Dal Khalsa established a branch in UK on January 4, 1983 and set up a branch in West Germany in June, 1983.

In May 1983, at a joint meeting in London of the Dal Khalsa, UK and the Babbar Khalsa, Vancouver, they found fault with the leaders of SA Dal, Amritsar for their willingness to hold talks with the Government and warned them that they would meet the same fate as the Nirankaris should they reach a compromise with the Government of India. A pamphlet circulated on May 29, 1983, under the names of Thakedar, described as member of the Supreme Council of Dal Khalsa and Devinder Singh Parmar, described as member of the Supreme Executive Council of the organisation, dubbed the Indian Constitution as a worthless document so far as the Sikhs were concerned and said that the Dal Khalsa proposes to challenge India in the International Court of Justice and seek help from the UN to put pressure on India "To quit the Sikh Homeland." At a congregation on June 12, 1983, Shri Thakedar claimed the responsibility of the Dal Khalsa in the killing of Lala Jagat Narain and Shri Atwal, DIG Police and warned that they would take similar revenge on police officials for the death of Sikhs during the Akali Morcha. He also advocated violence to achieve their objectives and declared that the organisation would not be satisfied with anything less than the creation of an independent nation for Sikhs. Shri Thakedar threatened the Government of India on Shri Telwinder Singh Parmar's arrest by the West German authorities. At a meeting held in Southall in July, 1983 Shri Thakedar said that the Dal Khalsa was getting ready for an armed struggle in the Punjab and that many people in high places in Punjab had expressed their secret support to the organisation and that even Army officers were prepared to rise in revolt. So-called "traitors to the community" were threatened with punishment.

Addressing some Sikhs of foreign nationality at a 'political education camp', organised by the Dal Khalsa on August 14, 1983, Shri Thakedar declared that the organisation would launch a guerilla struggle. During a visit to London in the third week of September, 1983 Shri Surjan Singh Gill, the so-called Consul-General of Khalistan in Vancouver claimed that the Government of Pakistan had promised to give them assistance in their fight and that once Khalistan was formed, Pakistan would accord a status similar to that of the Vatican to the Nankana Sahib. Dal Khalsa obviously regards Pakistan as a strategic ally. In the first week of November, 1983, a book in Punjabi 'Khalsa Raj' written by Shri Thakedar was released for sale in the UK. It mentioned (1) that the Dal Khalsa was committed to establishment of a 'Khalsa Raj'; (2) it planned to create religious consciousness amongst the Sikhs and to cooperate with other communities in the world which were similarly fighting for independence; and (3) that a new organisation 'Thakhat Khalsa' would be formed to cleanse the Khalsa Panth and struggle against the Government for freedom. The struggle would be similar to that of the Jews. The book also mentioned that political power could be secured only through physical efforts, guerilla warfare and an armed revolt.

Some members of the organisation indicated their desire to raise a group of young dedicated Sikh workers willing to undertake suicide missions.

In April 1984, Shri Man Mohan Singh Bajaj, Mukh Panch of the Dal Khalsa, West Germany, justified the assassinations of S/Shri Harbans Singh Manchanda and Vishwanath Tewari claiming that these were done at the 'Hukam of the Guru Sahib.' On June 11, 1984, it announced that it had set up a clandestine Government in exile. Shri Jaswant Singh Thakedar was named as Defence Minister, while Shri Man Mohan Singh Bajaj as Minister for Home Affairs. Dr Harjinder Singh Dilgir was named Foreign Minister while Gajinder Singh, one of the hijackers was named Minister for Agriculture and Industries.

**The Babbar Khalsa and the Akhand Kirtani Jatha:** The Akhand Kirtani Jatha started mainly as a religious group, but it extends support to other Sikh political and extremist organisations, particularly the Babbar Khalsa. Bibi Harsharan Kaur and Bibi Amarjit Kaur, widow of Fauja Singh who was killed in the Sikh-Nirankari clash in April, 1978, are among its activists. It holds that the Sikhs would not be



able to maintain their purity unless they achieved an independent State. It has branches in UK and Canada.

The Babbar Khalsa is a political off-shoot of Akhand Kirtani Jatha. It looks upon the Jewish struggle for the creation of Israel and the National Liberation struggle of the Kurds as models for organising its activities.

The Babbar Khalsa was established in 1978 in India. Its branch in Canada was set up in 1981. Shri Talwinder Singh Parmar is the Jathedar of the overseas unit. It is trying to extend its activities to the USA, the UK, Holland and West Germany.

According to Babbar Khalsa, Pakistan is the natural and cultural neighbour of the Sikhs and ready to assist their movement against the Government of India. It also stresses the point that members of the Sikh community abroad would have an important role to play in the "liberation of Khalistan".

The members of the organisation have been talking about plans to organise a 'Khalistan Liberation Army' and of the need of imparting arms training to their volunteers.

In February, 1982, the 'Vancouver Sun' carried a report about the attempts of Sikh extremist elements to recruit Sikhs in British Columbia in Canada and have them trained with the help of a mercenary who had fought in Rhodesia. It cited an advertisement inserted by one Johan Vanderhorst calling for young volunteers with previous military experience on a monthly salary of US\$1,250. Johan Vanderhorst told a correspondent of the newspaper that he had been hired by a group of Indians to constitute a team of men with military experience to train Sikhs in British Columbia in the use of fire-arms and in combat techniques. He was also quoted as having claimed that the training was intended to help Sikhs take over the Punjab.

On May 20, 1983, in an interview to the 'Des Pardes' of London, Talwinder Singh Parmar claimed that the Babbar Khalsa was responsible for the murders of Lala Jagat Narain, the Nirankaris and others in the Punjab and that the AISSF was responsible for incidents of sabotage of railway tracks.

In February, 1984, Shri Surjan Singh Gill addressed an "Open letter" to Sikh leaders in the Punjab urging them to initiate action to achieve "the original target of the Sikh Qaum, namely the establishment of an independent entity." He expressed the view that it was time to try the "suicide squads" to change the situation in Punjab, and warned that the Qaum would not excuse any leader who showed weakness at this 'critical time.'

In a meeting in May, 1984, the issue of the boycott of Air India flights by Sikhs in UK was also taken up and a resolution calling for the settling up of a committee to visit airports in order to dissuade Sikhs from travelling by Air India was passed. Jathedar Gurmeh Singh also warned that the names of Sikh passengers and Sikh travel agents in UK who do not cooperate with the committee would be passed on to representatives of the Babbar Khalsa in Punjab and New Delhi so that they could be killed.

#### IV. Army Action in Punjab and Chandigarh

On June 2, 1984 Government decided to call in the Army in aid of civil authority in Punjab. The task assigned to the Army was:

To check and control extremist, terrorist and communal violence in the State of Punjab and the Union Territory of Chandigarh, provide security to the people and restore normalcy;

To augment the Border Security Force presence on the India-Pakistan border lying within the territorial jurisdiction of Punjab in order to stop smuggling and unauthorised cross-border traffic.

The para-military forces deployed in Punjab and Chandigarh as well as the Punjab Armed Police units were placed under the command and control of the Army. Since the Union Territory of Chandigarh was also affected by terrorist action, the Governor of Punjab was appointed for a period of two months as Administrator of the territory in order to facilitate coordinated action.

On June 3, 1984, the entry of foreigners into Punjab was prohibited under the Foreigners Act. Subsequently, on June 15, 1984 the requirement of visa for persons holding passports of the UK and Canada and on June 18, 1984 for nationals of other Commonwealth countries and Ireland was introduced. Such rules exist for nationals of other countries. Temporarily the movement across the Attari Checkpost was stopped.

The Government of Punjab took action under the Punjab Press (Special Powers) Act to prohibit the publication and transmission of materials which may have the effect of inflaming communal passions and affect public order.

Plan of Army operation: The Army's plan to re-establish law and order in Punjab and Chandigarh envisaged apprehension of terrorist elements, the flushing out of known terrorist hide-outs, recovery of illegal arms and ammunition and restoration of public safety and confidence.

By the early hours of June 3, 1984 Army formations had moved into Punjab and Chandigarh and had been suitably deployed in all districts.

By that time BSF battalions deployed on the Punjab-Pakistan border had already been placed under the operational command of the Army for effective coordination and control of the international border against illegal trans-border traffic and smuggling.

The States contiguous to Punjab had also taken action to prevent terrorists from crossing over into their territories.

While information was available that the terrorists possessed large quantities of arms of different kinds and had built up strong fortifications, tactical intelligence in regard to the strength and disposition of terrorist gangs was inadequate. However, to save the situation from irretrievable deterioration, there was an utmost necessity for speed in the completion of Army operations.

Specific orders were given to troops to use the minimum force, to show the utmost reverence to all holy places and to ensure that no desecration or damage was done to the Harmandir Sahib, the sanctum sanctorum of the Golden Temple, and the Darbar Sahibs of other Gurdwaras. The use of high trajectory weapons and incendiary ammunition was totally barred. Troops were particularly introduced not to wear any leather items in holy places and to treat all apprehended persons with dignity and consideration. All Commanders were instructed to continuously use the public address systems for a number of hours at every suspected hide-out or terrorist base, to advise terrorists to give themselves up in order to prevent bloodshed and damage to holy places before the use of force for their apprehension.

A 36-hour curfew was declared by the Punjab Government and Chandigarh Administration from 2100 hours on June 3 which was later extended selectively. Police cordons around the Golden Temple and other known terrorist hide-outs were made more effective by Army units who also assisted in ensuring that curfew was not violated.

Army action in the Golden Temple area: A map showing the lay-out of the Golden Temple and adjacent buildings together with a brief description is given at Annexure x.

The dispositions of the terrorists in the area were organised on military lines which exploited the defensive potential of the buildings to the fullest extent. The terrorists selected the Akal Takht as a building of prime importance since it housed Shri Bhindranwale and his headquarters and was tactically significant to their operations. The approaches to the Akal Takht were heavily defended.

Lookout and early warning posts: Seventeen houses in the civilian residential areas has been selected by the terrorists at distances of 500 to 800 metres from the outer periphery of the temple complex and held by approximately 10 men each. These outlook and early warning posts were veritable arsenal of light machine guns and other automatic and semi-automatic weapons with huge caches of ammunition. The posts had been given common communication equipment to be in instant touch with their command posts. In addition, posts had been created on the structures which dominated the entire surroundings, i.e., the overhead water tank east of Guru Ram Das Sarai, the two towers adjacent to, and west of, the Langar, each of which has a staircase whose ventilation recesses were used as gun positions. Canopies, sunshades and other projections had been sand-bagged on three sides and developed as machine gun nests. Verandah arches had been closed with masonry and used as vantage firing posts with slits just enough for observation and fire.

First Line of Positions: Weapon positions had also been sited on the roof tops of all buildings on the eastern side which constituted the most vulnerable approach. In addition, the buildings themselves permitted fire through sand-bagged windows at each floor level.

**Second Line of Positions:** Similar weapon positions including a large number of alternate positions had been created on the roofs and intermediate floors of the buildings enclosing the entire temple complex.

**The Main Positions at the Akal Takht:** As the Akal Takht is set back from the Parikarma on the western wing, the open space to its east had been developed as a "killing ground" with effective fire being brought down on it from the Akal Takht itself, the buildings on its right and left and also from the Toshakhana. The Akal Takht had been fortified as well as any dug out position of any modern army. Starting from the basement upwards, gun placements had been planned out and sited at every level including the floor level, the window level, the roof ventilators, on to the first floor and the upper storeys. The terrorists had cut holes in the walls and the marble facade like a pill-box for the positioning of weapons.

**The pattern of terrorist resistance:** The design of resistance of the terrorists as it turned out during the Army action was as follows:

Early warning and aggressive attrition by the peripheral ring of lookout posts; and clever fire control and use of alternate positions on the first and second defensive lines.

It was evident that weapons were craftily deployed and tried. For example, while rifles and automatic weapons were used from the lookout position, sten machine carbines were the major weapon on the first and second defensive lines since ranges of more than 25 to 30 yards were rarely available around the main complex. There was very effective coordination of fire. The selected killing-ground was fully covered by fire from all sides. The limited anti-tank resources were well marshalled and used only when a mechanised vehicle came within range.

The terrorists had converted the Golden Temple complex into a veritable fortress for mounting attacks on any para military or military forces that might challenge their position. They had received extensive training in military operations and use of explosives and sophisticated weapons, installed their own communication systems and stored adequate quantities of foodgrains to last several months. Training had been provided by experienced ex-army personnel and battle plans had been drawn up with ingenuity, maximising the advantages provided by the basements, underground passages, niches, winding staircases, lookouts and towers in the Temple complex. Wearing assorted uniforms, the terrorists were as well trained and bank robberies and arson committed by the terrorists all over Punjab also showed how well they were trained in the use of weapons. They had an elaborate protective cover of getaway plans and eventual sanctuary in places of worship.

During the afternoon and evening of June 5, 1984, repeated appeals were made to the terrorists on the public address system to lay down their arms and surrender to the authorities to prevent avoidable bloodshed and damage to structures in the Temple complex, 129 surrendered. At 1900 hours on June 5, the Army commenced preliminary operations to secure dominating buildings on the periphery of the area occupied by terrorists around the Golden Temple.



From 2230 hours, Army units commenced moving to the Golden Temple precincts. This drew a very heavy volume of fire from the terrorists into the narrow streets at close range. A large number of teargas shells were fired by the troops into the terrorist positions including the Akal Takht but these were not effective since all windows and doors had been heavily barricaded with bricks and mortar as well as sand bags. Despite casualties, the troops gradually closed in and commenced movement into area around the Temple, after overcoming very heavy and organised resistance.

Troops effected entry into the area around the Sarovar through the northern deori and the southern library building. In the latter area, the terrorists were firing from a number of machine gun positions in the library building and were hurling country-made grenades, lighting them with match-sticks. A fire was noticed at this stage in the library. Troop, fire-fighting parties were repeatedly rushed to put out the fire, but these attempts were foiled by the heavy machine-gun fire from the terrorists. By the time the terrorist positions could be overcome, the library had been gutted.

Intensive fire had to be faced from the Akal Takht, which stood like a fortress covering all avenues of approach with a deadly and concentrated volume of machine-gun fire, causing heavy casualties.

The terrorists from their outer line positions also reinforced the fire from the Akal Takht and made it a bastion of automatic weapons. Machine-guns from Harmandir Sahib simultaneously raked the Parikrama and surrounding buildings from where the troops had forced back the terrorists. In spite of this the troops exercised great restraint and refrained from directing any fire at Harmandir Sahib.

At 0100 hrs on June 6, Sant Harchand Singh Longowal and Shri G S Tohra surrendered near Curu Nanak Niwas with about 350 people. The terrorists opened fire at them and also lobbed hand grenades to prevent their surrender. As a result, seventy people were killed including 30 women and 5 children. Among those killed were Shri Gurcharan Singh, who had been accused by extremists of having plotted the murder of Shri Sodhi and Shri Bagga Singh, a vocal critic of the cult of religious terrorism preached by Shri Bhindranwale.

At about 0410 hrs on June 6 some troops attempting to close in on the Akal Takht in an Armoured Personnel Carrier (APC) were fired at by anti-tank rockets from the Akal Takht which damaged and immobilised the APC. Thereafter, one tank with its searchlights was taken into the area to blind the terrorist positions in the Akal Takht and to engage these with fire. By the morning of June 6, the troops had effectively engaged all gun positions at the Akal Takht. After engagement with and silencing of some machine-gun positions of the Akal Takht, the troops effected entry into the Akal Takht. Room-to-room engagement commenced. Some extremists were then observed rushing down towards the first and ground floors, where shortly thereafter an explosion took place and a fire started. The troops also heard an exchange of fire among the extremists themselves on the ground floor and in the basement.

Some terrorists at this stage attempted to rush out of the Akal Takht to clear some areas held by the troops. But were beaten off. A group of 10 terrorists



thereafter surrendered with a white flag. Room-to-room fighting, however, continued at the Akal Takht till it was cleared by 1230 hours on June 6, except for resistance continuing from the ground floor and basements.

That afternoon, the troops made further appeals over loudspeakers to the terrorists to surrender. As a result some 200 terrorists surrendered including 22 from Harmandir Sahib. The Head Granthi and two other Granthis were at this stage found to be safe inside the Harmandir Sahib.

The continued resistance from the ground floor and the basement of the Akal Takht was tackled during the night of June 6/7. When this resistance was finally overcome the troops commenced a thorough search of the ground floor and the basement. The bodies of Shri Bhindranwale and Amrik Singh were found among 34 other bodies on the ground floor of the Akal Takht.

Some terrorists remained active in the morning hours of June 7 using the surrounding buildings and number of tunnels in the area of the Golden Temple. It required a few days of careful search to winkle out the last of the terrorists who inflicted brutal casualties on troops. No women or children were killed in the action by the troops.

Damage to buildings in the area of the Golden Temple: From the commencement of the planning stage of this operation damage to the temple buildings was not contemplated and strict instructions had been issued to preserve the buildings. The heavy toll of Army casualties is an indication of the deliberate restraint exercised by our troops in order to ensure that the Harmandir Sahib and Akal Takht were not damaged despite the murderous small arms and automatic fire which poured forth on the troops from these buildings from the terrorists. Fire on the Akal Takht had to be opened only when very high casualties began to accrue to the troops and when the terrorists escalated action by using anti-tank weapons from this building.

A large quantity of weapons, ammunition and explosives was recovered, including automatic and anti-tank weapons. A small factory for the manufacture of hand grenades and sten guns was also found within the precincts of the Golden Temple. The Army is still engaged in the process of recovery of arms. It will take some time to complete this task. A list of arms recovered till June 30, 1984, is at Annexure XI.

Brutalities by the terrorists: The atrocities committed by the terrorists on innocent Sikhs and Hindus prior to the induction of the Army are well known. During the Army operations, instances of further heinous acts and barbarous vandalism by the terrorists in control of the Golden Temple have come to light. On the night of June 5/6, 1984 when, on appeals by the Army, several civilians including women and small children from the Guru Nanak Niwas and the SGPC building came out to surrender, the terrorists opened fire and lobbed grenades at them and killed 70 people including 30 women and 5 children. The terrorists also tortured in a most inhuman manner and brutally murdered two Junior Commissioned Officers whom they had captured. They strapped explosives on to the body of one of the Junior Commissioned Officers after having skinned him alive, and blew him up as he was thrown from the upper floor of the Akal Takht. On June 8, 1984 they hacked to death an unarmed Army doctor who had entered a basement to treat some casualties.

A total number of 42 religious places were identified where terrorists were based. During the evening of June 5, repeated appeals were made at all these places over public address systems for the terrorists to hand themselves over to the authorities. When there was no response, the Army moved into these premises in stages to flush them out. In most of these places very little resistance was encountered. However, the terrorists offered a fair amount of resistance in the gurdwaras at Moga and Muktsar and fired at the security forces. Besides they also fired in Faridkot, Patiala, Ropar and Chowk Mehta. Major recovery of arms and ammunition was made from religious places at Chowk Mehta, Patiala and Ropar. The last of these operations was completed by 1700 hours on June 6 after the Army had flushed out terrorists from the Muktsar Gurdwara.

**Use of Navy and Air Force in the operation:** The army had the help of the Navy and Air Force for certain supporting services.

The Navy provided a contingent of divers to search for arms, ammunition and equipment which the terrorists threw in the Amrit Sarovar and the wells around the Golden Temple as also in various ponds and wells in other areas. These operations have been successful, resulting in a large haul of arms, ammunition, equipment and valuables.

The Air Force provided transport air support for speedy movement of certain Army elements from other States. Effective helicopter communication and reconnaissance flights were also organised by this service.

**Casualties and recovery of arms, ammunition and equipment:** Details of civilian and Army casualties and of arms and ammunition recovered up to June 30, 1984 are given in Annexure XI.

**Military civic Action:** To reduce the hardship faced by the civilian population during curfew, the Army undertook positive steps in conjunction with the civil administration to ensure that the supply of essential items was maintained at all times. This included the running of escorted convoys, carrying essential items, and free distribution of essential supplies in certain affected localities. Army medical teams also rendered medical aid to the public in many areas. Canteen facilities were provided to ex-servicemen as well as to the families of serving soldiers.

## V. Some Issues

By about the middle of 1983, anti-national and terrorist groups had established complete control over the Golden Temple and converted it as the main base for their operations. With the fortification of the Golden Temple and a number of other gurdwaras, the systematic elimination of those who did not agree with their aims and methods and the raising of the false and insidious slogan of 'Panth in danger', it became evident that the terrorists were aiming at much bigger stakes than merely getting some demands accepted. The large quantities of weapons of offensive character and communication equipment and the arms factory discovered from the temple fully bear out their ultimate objective, namely, full scale insurgency. Any delay on the part of the Government in breaking these well entrenched bastions of terrorists and secessionists would have been disastrous for the whole country.

The events in Punjab have raised some vital issues which require serious consideration:

--Is it right for places of worship which are revered by millions to be used as arsenals?

--Is it right to transform such places into sanctuaries for criminals and subversive elements?

And above all,

--How do we prevent the secular foundations of our republic from being eroded?

In Punjab, a small group, using the cover of religion, adopted terror as an instrument to promote a secessionist movement based on communal separatism. The Golden Temple and other gurdwaras were used to provide total immunity to criminals and to those who worked to disrupt the unity of the country. This has been the most blatant example of the misuse of religion and religious places in India's recent history.

It is inconceivable that the Akali Dal, and the SGPC, which was in charge of the management of the Temple, were not aware of the open desecration and abuse of the holy precincts of the Golden Temple in violation of its own rules. No voice was raised against this by the Akali Dal or SGPC. Not only that, the Akali Dal made full use of religious symbols and rites for its agitation. In this atmosphere the forces of religious fanaticism and fundamentalism easily flourished. Can the SGPC which has the legal responsibility for the management of these religious places plead ignorance and absolve itself of the responsibility for their misuse?

The recent occurrences in Punjab cannot be divorced from the wider international context. The security environment of India has worsened in the last three years. Powerful forces are at work to undermine India's political and economic strength. A sensitive border State with a dynamic record of agricultural and industrial development would be an obvious target for subversion. In this context the activities of groups based abroad acquire special significance. A section of the foreign media is deliberately presenting totally distorted versions of the Punjab situation, which have the effect of encouraging and sustaining separatist activities.

The fundamental challenges of India's unity have arisen from communal fanaticism and other divisive forces with powerful external support. The target now is secularism, the basic foundation of India's unity. Repeated external aggressions and other pressures having failed to break the unity and integrity of India, attempts are now being made to cause internal disruption, pressing religion into service. This is the warning which the recent developments in Punjab are giving to the nation.

Other questions are being posed:

(1) How is it that sophisticated weapons in such large quantities managed to get inside the Golden Temple and other gurdwaras?

(ii) Was not the Government aware that such arsenals were being built up inside the Golden Temple and other gurdwaras? Was there not a failure of intelligence?

(iii) Was there any support from foreign countries and sources available to the terrorists?

The Government had some information on the quantity and type of arms which had been acquired by the terrorists and had been stored in the Golden Temple as well as some other gurdwaras. Events proved that this intelligence, as far as it went, was correct. The Government also knew the intentions and strategy of action of the terrorists. From time to time the Government itself gave information about the strength being acquired by the terrorists. The arms and ammunition were smuggled into the Golden Temple and other gurdwaras in Kar Sewa and other vehicles which used to carry foodstuffs and other materials. In the earlier stages, vehicles of the SGPC, were not searched. Everyday hundreds, and on particular days like Amavasya thousands of persons used to visit the gurdwaras and some arms could easily be smuggled in by terrorists mixing with pilgrim crowds. It was not possible to check and search such large numbers without causing serious inconvenience to the pilgrims.

It must, however, be admitted that one area in which Government intelligence was weak was of 'ground' information. For instance Government had information that the terrorists were planning to take some big and dramatic action against railway tracks, railway stations and post offices during a particular period of time. The exact locations of attack and the particular gangs of terrorists who were to carry out the attacks which was a matter of ground intelligence were not available. As a result, while intensive patrolling of railway tracks was taken up all over the State which detected several acts of sabotage to the tracks and thus averted a large number of railway accidents, it was not possible to prevent actual attacks on railway stations which were mostly small and isolated flag stations.

As for the supply of arms, in the initial stages the terrorists got them through some surprise raids on armouries (the main one being the armoury of the Home Guards at Ferozepur) and occasional snatching of arms from police personnel. Later they were able to obtain the more sophisticated arms through sources outside the country and by developing clandestine links with sources within the country. High authorities abroad have spoken of the possibility of illegal inflows of large supplies of arms into India from across the border. More facts will be available when investigations are completed in cases against terrorists who have been apprehended. However, one fact stands out, that the main distribution centre of arms to the terrorist gangs was based in the Golden Temple.

The Government have reason to believe that the terrorists were receiving different types of active support from certain foreign sources. The significant relationship between internal and external forces of subversion, is a well-known fact of the contemporary international scene. However, it would be in the public interest to divulge information which Government have on this aspect of terrorism in Punjab. Utmost vigilance is necessary to thwart the designs of those who wish to exploit our internal situation for their own ends. The people of India have repeatedly shown full awareness of this dimension of our political life.



The action which the Government has had to take in Punjab was neither against the Sikhs, nor the Sikh religion; it was against terrorism and insurgency. The Sikhs are a well integrated part of the Indian nation. They were second to none in their contribution in achieving and defending the country's freedom and the building of the economic strength of free India. The Sikh community stands firm, along with the rest of the nation, in its resolve to preserve and strengthen the unity and integrity of the country.

Government have always kept in view the wider national perspective in dealing with the agitation in Punjab over the last two years. Even after the tragic events outlined in the foregoing pages, Government remain committed to its stand that a lasting solution should be found through the democratic process of discussion. It is obvious that such discussions can be fruitful only in an atmosphere of peace, mutual trust and accommodation. No settlement is possible if one group continues to insist that all its demands, including those which concern other States should be accepted in toto. No settlement can be durable if in conceding the demands of one State or group the legitimate interests of some other States or groups are ignored. In any settlement there has to be give and take, and above all, a commitment to the basic concept that the country's interests always come above the interests of a State or group.

It is Government's sincere hope that all sections of the people will contribute to the creation of an atmosphere of trust and amity.

#### G. K. Reddy Commentary

Madras THE HINDU in English 11 Jul 84 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 10.

The long-awaited and much-delayed white paper on Punjab, which was finally released today after the full Cabinet had formally approved it, said that certain foreign sources, with a "deep-rooted interest in the disintegration of India", had extended "active support" to the extremists who were resorting to open terrorism to propagate separatism from the holy precincts of the Golden Temple.

Though no particular foreign power is named, the reference to the role of Pakistan is quite evident from the specific mention made of the possible inflow of large supplies of arms across the border, the links that the protagonists of Khalistan operating from abroad had established with the Jammu and Kashmir Liberation Front and the contacts that they had been maintaining with "persons in the higher echelons of the Pakistan administration."

The white paper states: "The recent occurrences in Punjab cannot be divorced from the wider international context. The security environment of India had worsened in the last three years (the reference being to the U.S. policy of arming Pakistan). Powerful forces are at work to undermine India's political

and economic strength. A sensitive border State (like Punjab) with a dynamic record of agricultural and industrial development would be an obvious target for subversion. In this context the activities of the (pro-Khalistan) groups based abroad acquire special significance".

The white paper says that the Government had reason to believe that the terrorists were receiving different types of active support from "certain foreign sources". The nexus between internal and external forces of subversion was a well-known fact of the present-day international scene. But the Government had chosen not to disclose all the information in its possession about this aspect of the Punjab crisis in the larger public interest. It would be sufficient to stress, in its view, that the real target of attack of this unholy collusion between these internal and external forces of subversion was Indian secularism, the basis of the country's unity and integrity as a nation.

#### Separatists abroad

A very detailed reference is made in the white paper to the activities of various separatist Sikh organisations in Britain, West Germany,



Canada and the U.S. from where Mr. Jagjit Singh Chauhan, Mr. Ganga Singh Dhillon and others have been carrying on a campaign for the formation of Khalistan. But it also points out that the great majority of the Sikhs settled abroad do not believe in separatism. These overseas Sikh communities are subjected to a lot of false propaganda alleging discrimination in India and support for Khalistan abroad even to the extent of saying that the U.S. is backing the movement.

The white paper has otherwise made no startling disclosures either about the origins of the Akali agitation and the manner in which the extremists led by Sant Bhindranwale gained control of it, or the degree of foreign involvement and other factors that combined to produce this complex web of violence and terror threatening to foment communal discord and plunge the country in deep turmoil that could conceivably lead to its disintegration.

It has marshalled all available evidence to prove conclusively that there was no alternative to strong military action to deal with this grave situation, since the para military forces could not have dislodged the well entrenched extremists who had fortified themselves in the Golden Temple complex with a vast array of highly sophisticated arms.

The white paper merely recounts at length in their right sequence the nature of the Akali demands and the Government's response to them, the different interpretations of the Anandpur Sahib resolution and the varying degrees of emphasis placed on greater autonomy, the emergence of new militancy in Sikh politics under the leadership of Bhindranwale followed by increasing resort to violence, the attempts to obtain covert and overt support from foreign sources to create conditions of open insurgency, the way the younger recruits to this cult of extremism were indoctrinated in secret training camps where pro-Pakistan and Khalistan slogans were raised to inculcate a spirit of defiance, how hit lists were drawn up to carry out assassinations followed by indiscriminate killings to spread terror and confusion.

The white paper gives a vivid account of the military action against the entrenched terrorists in the Golden Temple complex while making only a passing mention of the steps taken to flush out the extremists from other religious places where the army encountered a "fair amount of resistance". It also describes the exemplary discipline and remarkable self-restraint with which the army personnel carried out these operations, even to the extent of suffering avoidable casualties to avert damage to these holy premises. It gives details of the types of weapons used by the extremists and the vast quantities of arms and ammunition captured by the security forces.

The text of the white paper is relatively short running to only 56 printed pages, but the annexures listing the Akali demands, the various phases of negotiations, the details

of the political murders and communal incidents, excerpts from Bhindranwale's exhortations to violence and other documents run to another 114 pages, a total of 170 pages, besides 27 photographs of the fortifications in the Golden Temple complex and the big booty of captured arms and ammunition.

The Government admits in the white paper that there were some lapses in the collection of intelligence. Though it was reasonably well informed about the intentions and tactics of the terrorists, the types and quantities of arms acquired by them and the methods adopted for smuggling them into the Golden Temple premises, the Government was handicapped by the absence of what is called "ground" intelligence.

For instance, the local authorities knew that the extremists were planning some dramatic moves like attacks on railway tracks, railway stations and post offices, but they had no idea where the extremists might strike with the result that they were unable to take adequate preventive action.

The white paper blames the moderate Akali leaders squarely for allowing the agitation to pass into the hands of the extremists, turning a blind eye to the open resort to violence and stockpiling of arms in the holy premises and letting even criminals, smugglers and other anti-social elements to jump on to the bandwagon. It has come out with a well documented charge-sheet against the Akali leadership for its many acts of omission and commission.

It also focusses attention on the atrocities committed by the fanatical extremists.

The white paper, which went through several changes as the Political Affairs Committee of the Cabinet spent nearly 40 hours pondering over the revised drafts, is only an elaboration of the 10-page note released by the Home Ministry recounting the sad sequence of events that led to the military action. In that note the Government spoke of the diabolical bid of Bhindranwale and his band of extremists to create Khalistan with the "active encouragement, connivance and assistance of some foreign powers", the role of "neighbouring and foreign powers" in this conspiracy and the military training imparted to these extremists at so-called religious training camps both in Jammu and Kashmir and Pakistan-occupied Kashmir.

## Destabilisation threat

An attempt is made to tone down these pointed references to foreign powers in the white paper, but enough is said between the lines to indict Pakistan without actually naming it. The suspected foreign support to the concept of a separate Sikh State has been projected in the wider context of a destabilisation threat faced by India in the wake of "repeated external aggression and other pressures". It draws attention to the perils of internal subversion by exploiting religion to achieve what could not be done through external aggression.

**NEW KASHMIR CHIEF MINISTER TO REVAMP ECONOMY**

**Bombay THE TIMES OF INDIA in English 11 Jul 84 p 9**

[Text] SRINAGAR, July 9: The chief minister, Mr. G. M. Shah, today announced a package of measures to revamp the economy of the state and to provide relief to different sections of the people.

The measures cover a wide spectrum of economic activities, including power generation, agriculture, food-grains, industry and tourism.

The power tariff for a load of up to 0.25 KW has been reduced from Rs. 15 (the minimum charge) to Rs. 9.

Consumers whose connected load is above 0.25 KW but less than 0.5 KW will be charged Rs. 18 inclusive of all the taxes, as against Rs. 23 at present.

Financial institutions will be requested to reschedule loans due from people directly connected with the tourist trade like hoteliers, guest house owners, houseboat owners and taxi drivers. The tourist trade has been particularly hit hard during the last three years. The government has decided to provide interest subsidy in respect of small entrepreneurs who have been advanced loans of Rs. 5 lakhs.

The government has directed the Jammu and Kashmir handicrafts corporation to make purchase directly from the artisans with a view to preventing distress sales. The Centre is also being approached to advise the handicrafts development corporation to provide similar market cover to the artisans and others dealing with handicraft products in the state.

The government has also decided to raise the stipend of trainees in the handicrafts, handlooms and social welfare departments from Rs. 60 to Rs. 100 per month.

Though the government is committed to the withdrawal of subsidy on foodgrains, it has been decided to continue it for the lower income group.

The government has earmarked Rs. 5 crores to provide employment and sustenance to the unemployed artisans, landless labourers for which suitable schemes have been drawn up.

FOREIGN MINISTER ADDRESSES MALDIVES CONFERENCE

Bombay THE TIMES OF INDIA in English 11 Jul 84 p 1

[Article by Subhash Shakravarti]

[Text] VILLINGILI (Maldives), July 10. INDIA today suggested that the South Asia Regional Co-operation (SARC) must eventually encompass all aspects of economic and social development to make it an effective regional forum.

The external affairs minister, Mr P. V. Narashimha Rao, urged the second ministerial-level conference of SARC to consider enlarging the areas of co-operation. He, however, cautioned that each step forward would have to be carefully taken.

At the end of today's deliberations in this idyllic Indian Ocean island, India's proposal was seen as a major step towards giving an institutional framework to the SARC. In India's reckoning, SARC could develop into a meaningful institution only on the strength of greater economic co-operation.

Happily for regional co-operation, there was hardly any emphasis on political issues in most of the speeches. There was a conspicuous demonstration of concern at the deteriorating share of economic resources between the developed countries in the north and developing countries in the south. A special reference to this crushing imbalance was made by Pakistan's foreign minister, Mr. Sahebjjada Yaqub Khan, in his speech.

Mr. Narashimha Rao significantly remarked that the conference, while meeting at the political level, should look beyond its immediate task and view the process of mutual co-operation in a wider context.

Mr. Rao warned that there were tensions and conflicts all around the region and said no regional co-operation would be meaningful till a solution was found to these problems.

He said that SARC could be used for promoting co-operation between this region and other groupings and international organisations with similar aims and objectives to mutual advantage. "By increasing our mutual co-operation, we will contribute to the wider objective of international economic co-operation." In a sense, he said, this process had already begun.

## World Attention

Mr. Rao said the birth of SARC had attracted worldwide attention and many other countries were already showing signs of wanting to have a dialogue with this forum.

He was happy to note that once the political decision to launch SARC was taken, the member countries had been able to move to an active phase of implementation in a relatively short period. He attributed this to the thorough preparatory work undertaken earlier. The implementation of this programme would bring obvious benefits to the countries of this region, he said.

The conference is now engaged in preparing the documents to be adopted by the foreign ministers tomorrow. Indications are that the conference would accept a proposal from Bhutan to have the next ministerial-level meeting in its capital, Thimpu.

Meanwhile, SARC's inaugural summit will be held in Dacca towards the last quarter of 1985.

This important decision, which is a move towards giving SARC an institutional framework, was taken tonight by the foreign ministers attending the second ministerial conference here.

The conference is also considering to set up a permanent secretariat to strengthen the basic structure of regional organisation consisting of Bangladesh, Bhutan, India, Maldivse, Pakistan, Sri Lanka and Nepal.

The conference today expressed its concern at the depleted fund allocated by IDA-VII and requested the Japanese Prime Minister, Mr. Nakasone, to take up the issue with the developed countries.

PTI adds: Mr. Rao expressed serious concern over the increasing global tension and grim economic situation which threatened not only the stability of the developing countries but also the banking system of the industrialised world.

In a statement soon after the inauguration of the meeting by the Maldives President, Mr. Maumoon Abdul Gayoom, Mr. Rao criticised the rich nations for ignoring the needs of the developing countries.

Expressing concern over the increasing debt burden of the third world, which had reached "crushing proportions," he said the flow of resources to the developing countries, instead of increasing, was actually diminishing.

Mr. Rao said, "The level of resources agreed upon for IDA-VII was lower even in nominal terms than that for IDA-VI. This is a matter of particular concern to the countries of this region, who are the major recipients of IDA resources."

The efforts to developing countries to increase their export earnings "continue to come up against formidable obstacles," Mr. Rao said, "We cannot expect to bring about an improvement in this situation unless we intensify our own efforts to increase our mutual co-operation and to reduce our reliance on the outside world."



**GOVERNMENT EXPLORING WAYS TO PACIFY SIKHS**

Madras THE HINDU in English 10 Jul 84 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, July 9. After the dust has settled and tempers have cooled down, the Centre proposes to conduct the pacification campaign in Punjab with a combination of administrative firmness and political accommodation to enable the shaken Sikh community to get over its bitter feelings of indignity and alienation.

A parallel effort will be made to curb the upsurge of Hindu chauvinism in neighbouring Haryana to avoid fresh provocation to the Sikhs while they go through the agonising process of rediscovering themselves without being swayed by the insidious cult of separatism.

At the administrative level, the Government is determined to take all possible steps to ensure that places of worship are no longer misused for harbouring criminals or preaching violence. The recent army action has set the right precedent for the entry of police into gurdwaras and temples to track down anti-social elements.

Curbs on arms licences: Hitherto, the Government has been quite liberal in granting arms licences to those living in border areas for self-protection. The large number of ex-service-men in Punjab were allowed to keep even automatic weapons. The local authorities used to turn a blind eye at the flow of illicit arms into Punjab from other States and even Pakistan.

But now the arms licences are being restricted and a vigorous drive has been launched to trace and confiscate unlicensed weapons. The combing operations in the countryside, in the wake of the military crackdown in Amritsar and elsewhere, have yielded a big haul of illicit arms and ammunition.

Border security is being tightened up by intensifying patrolling by the BSF and the Punjab Armed Police. The army, too, has increased its vigilance to plug the loopholes in the security system that enable smugglers and gun-runners to engage in the flourishing liquor, narcotics and arms trade. The border patrols have orders to shoot them if they are seen crossing the border from either side with such suspicious merchandise.

**Sharing political power:** At a higher level, the Government is exploring ways and means of assuring the Sikhs their due share of political power both in Punjab and at the Centre by isolating the extremists and encouraging the moderates to get back into the national mainstream. The Defence Ministry has taken suitable steps to make the Sikh troops better aware of the horrors of the senseless and indiscriminate violence perpetrated by the terrorists which led to the army action.

The process of weeding out civil servants and police officers of doubtful integrity from the Punjab administration is to be followed by the induction of Punjabi officers, both Hindu and Sikh, of proven integrity from the cadres of other States to fill the vacancies during this crucial period of pacification.

**Generous financial help:** In the economic sphere, the Government is ready to adopt a generous attitude and make available additional funds for the restoration of both agricultural and industrial production disrupted by the disturbances in the State. The restrictions imposed on the movement of individuals and vehicles have already been lifted and the rail traffic too is back to normal after two or three months of interruption.

The Congress (I) is planning a State-wide mass contact movement to assuage the ruffled feelings of the Sikhs and assure them that they will continue to have their rightful place in Punjab in spite of the tragic events that led to the current crisis of confidence in the State. The idea is to flood the countryside with Good Samaritans who are ready to go to the villages and visit humble homes to provide a measure of reassurance to the simple folks emotionally uprooted by the recent events.

The five-member committee of experts set up by the Centre to revamp the Punjab administration is now in Chandigarh discussing the details with the Governor and senior officials of the State Government. Simultaneously, the Cabinet Secretariat is taking steps to reorganise both the Central and Local intelligence services in the State.

**Restoring civil administration:** The army authorities are very keen that the process now under way of thinning out the military units brought to Punjab from outside should go on uninterrupted so that the civil administration could start assuming complete responsibility for law and order in a few weeks' time. The present thinking in Delhi is that the switchover should start in the interior districts and be followed up in the border areas where some extra precautions have to be taken to ensure that there is no trouble after the army has withdrawn from there.

**PTI reports from Chandigarh:**

**Gurdwara Handed Over**

The historic Gurdwara at Muktsar was today handed over to the Shiromani Gurdwara Prabandhak Committee by high ranking army officers at a function in Faridkot district this morning. Braving heavy rains more than 10,000 devotees thronged the Gurdwara.

## EXTERNAL AFFAIRS MINISTER INTERVIEWED IN SRI LANKA

Calcutta THE STATESMAN in English 9 Jul 84 p 5

[Text] COLOMBO, July 8.--The External Affairs Minister, Mr P. V. Narasinha Rao, has set at rest the propaganda that India's Sri Lanka policy was dictated by "politics" at home reports PTI.

"There is absolutely no question of Sri Lanka being sacrificed in the interest of domestic politics in India", he said in an interview with the Island newspaper here today.

Mr Rao, reacting to a statement attributed to the Sri Lankan President, Mr J. R. Jayewardene, to this effect, reaffirmed that India stood for the unity and integrity of its neighbour.

The Minister also reiterated India's stand on terrorism, in reply to a question on the Jayewardene position that there could be no political solution without eradication of terrorism. "We have always said that terrorism should be eradicated. But can this happen if the cause persists," he asked.

He clarified that India had not received, so far, any Sri Lankan requests for extradition of Tamil extremists and noted that there were procedures under Indian law to deal with the question.

Denying that India gave sanctuary and military training to the Tamil extremists, Mr Rao made it clear that he did not believe that a solution to the island's ethnic problem could be brought through violent means.

Noting that 40,000 Sri Lankan nationals had sought refuge in India after the ethnic holocaust last July the Minister said: "We would like the Government of Sri Lanka to create conditions that make it possible for these people to go back to their homes."

While denying that Sri Lanka was being sacrificed on the altar of domestic politics in India, Mr Rao said: "The ethnic problem in Sri Lanka has repercussions on India because of historic and human factors as well as the presence of refugees. That is why we offered our good offices to find a solution, without ourselves offering any proposals." He believed that the process of a political dialogue by the all-party conference offered "a good hope" and said all efforts should be made to work towards its success. Given the goodwill the deadlock could be broken, Mr Rao said.

GANDHI COMMENTS ON TIES WITH PAKISTAN

New Delhi PATRIOT in English 12 Jul 84 p 1

[Text] Prime Minister Indira Gandhi has said that India would press on with its efforts to befriend Pakistan, notwithstanding reports that Punjab extremists had found support in that country, reports UNI.

'In spite of everything we are trying to be friends because we think that is to our mutual benefit,' Mrs Gandhi said in an interview to a freelance journalist.

She was asked how extensive was Pakistan's involvement in Sikh problems.

She replied 'well we are told that there may be some training camp there. We don't know.'

'You have yourself probably seen government press and media of Pakistan and other foreign media where they have given a definite slant, where our side was ignored.'

Although India's point of view had been repeatedly put across to the media abroad, this had been ignored and the army operation had been portrayed as an attack on Sikhs, she said.

'There are elements in Pakistan who evidently think that anything that embarrasses India will strengthen them which I think is extremely short-sighted.'

Asked if all this would cause a setback to the process of normalisation between India and Pakistan, Mrs Gandhi replied: 'We are trying not to let it come in the way. Our Minister is presently there.'

The Prime Minister was asked whether she saw any 'tie-up' among the trouble in Assam, Tripura, Bombay, Punjab and Kashmir.

She replied that there had been agitation on one issue or another. 'There are certain similarities in the way these people are behaving. Whether there is any tie-up or not, I do not know. But whether it is in the north, east or west, they are trying to get in touch with other extremists. And we do not know to what extent they are getting any support from outside elements.'



Asked whether somebody might be coordinating these agitations, Mrs Gandhi said it was difficult to say.

'There were different types of elements both within and outside working against us.'

Mrs Gandhi said "at some places we know they are making definite efforts. Now for instance in Kashmir the Sikh extremists and some other extremists there did get together. They seemed to be functioning together, demonstrating together and so on."

"But India is not going to be balkanized, because nationalism is strong enough to withstand these agitations. But our people must understand the problems as well as dangers and responsibilities to foster communal harmony to meet these agitations."

CSO: 4600/1039

**GANDHI, ADVISERS CONSIDER POLICY ON PUNJAB**

Madras THE HINDU in English 8 Jul 84 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 7.

The Army authorities are satisfied that the backbone of the terrorist movement in Punjab has been broken, although isolated violence is continuing in the districts.

The combing operations in the countryside will go on till at least the end of this month for rounding up the last of the terrorists and recovering the arms and ammunition hidden by them at various places in the State.

But the Army is not jumping to the conclusion that the terrorist movement will be totally crushed before the bulk of the military units engaged in this operation are withdrawn from Punjab; after turning over the law and order responsibilities to the para-military forces. Though the terrorists are no longer left with a command structure of their own to plan and conduct a new wave of violence on an organised scale as they did before the military crackdown, the remnants who have managed to escape arrest will still be in a position to indulge in isolated acts of terrorism.

**Disturbed areas decree extended**

A new notification was, therefore, issued today extending for another three months the earlier declaration of the whole of Punjab and Chandigarh as disturbed areas, empowering the police and the armed forces to arrest and search any person without warrant, and take such other steps as may be necessary to apprehend those indulging in violence. Though this is a routine extension, it is indicative of the disturbed conditions still prevailing in Punjab, despite stern military action to put down terrorism.

The chairman of the new committee of experts set up to revamp the Punjab administration, Mr. R. V. Subrahmaniam, met the Prime Minister today to get an idea of what she would want this committee to do to enable the civil set-up to assume complete responsibility for the maintenance of law and order. One of the terms of reference of the committee is to suggest how soon the Army should hand over control to the civil administration, after accomplishing the tasks assigned to it.

**Political challenge**

The main challenge is at the political level, since no new step has been taken by the Central leadership to heal the wounds and encourage Hindus and Sikhs to forget the painful chapter of their shared agony and look forward to the future with renewed faith in their kinship and common traditions. The withdrawal of the Army cannot by itself provide a feeling of reassurance to the Sikh, unless the prevailing political vacuum in Punjab is filled with some imaginative moves to create an atmosphere of amity and conciliation.

The Prime Minister and her advisers are giving a lot of thought to this aspect of the Punjab situation, as they debate on what can be done, or should be done, at the political level to supplement the governmental efforts, so that the policy of giving no quarter to known extremists can be matched with some well-meaning gestures to assuage moderate Sikh opinion. A programme of action is being chalked out, in consultation with some prominent Sikhs, to launch a State-wide mass contact movement.

The pressures and provocations of an electoral

campaign can rip open old wounds and revive bitter controversies if the political pacification programme does not make much headway before the Lok Sabha elections. But if the atmosphere in Punjab is not conducive enough for going through this ordeal with the danger of renewed tension and even violence, the Government would not be averse to the idea of putting off the parliamentary poll in the State as was done in Assam, during the 1980 elections.

The main task in Punjab, as the Centre sees it, is to avoid a repetition of the recent tragedy at any cost. And in its view, no price would be too heavy to pay for averting another such calamity, while those with deep scars on their minds continue to be swayed by raw emotions and inflamed passions.

## GANDHI, ADVISERS REVIEW POSITION ON PUNJAB

Madras THE HINDU in English 12 Jul 84 p 1

[Article by G. K. Raddy]

[Text]

NEW DELHI, July 11.

The Prime Minister, Mrs. Indira Gandhi, called a high-level meeting today of her senior Cabinet colleagues, the Governor of Punjab and his Advisers, the Cabinet Secretary, Home Secretary and other officials dealing with the Punjab situation to review the latest position in the State.

The Governor, Mr. K. T. Satarawala, came to Delhi primarily to represent Punjab at the meeting of the National Development Council tomorrow. But Mrs. Gandhi decided to avail herself of his presence along with his Advisers to assess the over-all situation before important decisions are taken by the Centre on the pacification programme to win back the Sikh community's confidence.

Today's review also coincided with the return of the five-member committee from Chandigarh after its first-round of talks with the Governor and his Advisers on reorganisation of the Punjab administration. Mr. Satarawala gave the State Government's views on how soon the Army should be withdrawn from the State.

**Fear of flare-up**

Though the thinning-out process has been in progress for the last two weeks, there is a division of opinion at the Centre on whether the Army should turn over the law and order duties completely to the para-military forces and the State police, or continue to maintain its presence at key places in Punjab as a sort of insurance against revival of terrorism. One section seems to think there is bound to be a flare-up if the Army is withdrawn too soon, while another feels the very presence of the Army in strength would be provocation even to those interested in an early return to normalcy.

The present Government at the Centre appears to be caught up in the coils of the classic dilemma that bedevils all governments in a similar situation. It is inclined to take the view that any display of softness is likely to be misconstrued by the extremists, now lying low, as a sign of weakness. But some

of Mrs. Gandhi's advisers believe quite earnestly that the right moment for magnanimity is when the hardliners are down and out needing a face-saving formula to repair their fortunes.

**Fails to convince**

The Army itself has not crowned itself with glory by saying it needs time to recover all the illicit arms still stored in the Golden Temple complex. This is not a very convincing argument for prolonging its presence in and around the temple premises. The civilian authorities in Delhi and Chandigarh are apparently not too impressed by this contention, partly advanced by the Army under the mistaken notion of justifying the Government's own indecision.

The meeting today was not intended to find a way out of this predicament, with the situation in Punjab still fluid and nobody coming forward to set the right tone for reconciliation. It merely gave the top policy-makers an opportunity to give expression to their misgivings in the privacy of the Prime Minister's office and feel reassured by the views of their colleagues that the Government was not really losing the initiative by prolonging the wait-and-see phase.

The Prime Minister herself is keen on getting the pacification programme into full stride soon. But she is apparently torn by conflicting advice about whether it would be more prudent to proceed warily or plunge the whole hog into it.

As a shrewd politician, she knows that whatever the sins of the Sikh extremists, there can be no peace in Punjab until the Sikh community as a whole feels reasonably reassured of a fair deal from the present Government. And in taking the calculated risk of not prolonging the Army presence beyond the point of public tolerance, she will have to bear the cross if anything goes wrong again.

## APPROACH PAPER TO SEVENTH 5-YEAR PLAN SUMMARIZED

Madras THE HINDU in English 12 Jul 84 p 9

[Text]

NEW DELHI, July 11.

The approach paper to the Seventh Five Year Plan (1985-90), the contents of which will be discussed by Chief Ministers at a two-day meeting of the National Development Council starting here tomorrow, envisages an aggregate investment of Rs. 320,000 crores at 1984-85 prices, out of which public sector investment would be about Rs. 180,000 crores.

"The required resources", says the approach paper, "have to be mobilised in a manner which minimises dependence on external sources or on deficit financing, which has a higher inflationary potential. Tax collection can be raised even without raising rates and by widening the tax net and toning up the administration. The Plan can be based on the assumption of a 26 per cent savings rate which has already been achieved."

The paper has laid down a 12-point strategy for the implementation of the Plan: (i) decentralisation of planning and full public participation in development, (ii) maximum possible generation of productive employment, (iii) alleviation of poverty and reduction in inter-classes, inter-regional and rural-urban disparities, (iv) attainment of self-sufficiency in food at higher levels of consumption, (v) higher level of social consumption, particularly in education, health, nutrition, sanitation and housing, (vi) self-reliance through export promotion and import substitution, (vii) acceleration of the voluntary adoption of the small family norm and a positive role for women in economic and social activity, (viii) reduction in infrastructure bottlenecks and shortages and improvement in capacity utilisation and productivity throughout the economy, (ix) modernisation of industry, (x)

conservation of energy and promotion of non-conventional energy sources, (xi) integration of science and technology into the mainstream of development planning and (xii) ecological and environmental conservation.

**Expenditure control:** The approach paper has laid emphasis on the enforcement of strict controls on Government consumption expenditure "restraints on elitist consumption, mobilisation of resources from the rural sector and incentives for savings." The note on the balance of payments says the Seventh Plan "has to take into account the prospect of considerably diminished inflow of concessional finance from abroad, sizable debt service obligation and a global environment where interest rates are expected to remain high with only limited possibilities of acceleration in the volume of export growth. It would therefore be necessary to lay down priorities in the matter of imports."

The core of the "anti-poverty programmes" to be implemented during the Seventh Plan "lies in the enlargement of income-generating assets of those who have none of these. Hence redistributive land reforms and security of tenure to the informal tenants have to be directly integrated with the anti-poverty package of programmes although in the case of land reforms a good deal of potential for redistribution of surplus land still needs to be realised."

**Employment:** The approach paper points out that the growth in employment can be sustained only if it is productive and adds to output and incomes on a continuing basis. "The strategy of the Seventh Plan will be to generate productive employment through increases in cropping intensity and the extension of new agricultural technologies to low productivity regions and small farmers through



measures to make the rural development programmes more effective in the creation of productive assets through expansion of labour intensive construction activities for providing housing and urban amenities, and through changes in the level and pattern of industrial growth. Programmes and policies have to be oriented to providing jobs to everyone seeking it and in every sector. Priority has to be given to the activities which contribute most effectively for this purpose. The growth in employment will be non-inflationary. Agricultural production, particularly food production, has increased significantly. Improvements in agricultural production will result in itself in increases in rural employment."

The paper has placed importance on giving a higher priority to the attainment of self-sufficiency in areas such as oilseed production, petroleum products and a whole range of items which account for larger imports or where the content of skilled labour is high. "The Seventh Plan has to lay emphasis on improved utilisation of capacity by getting rid of factors responsible for the existence of idle capacities, continued, regular and intensive monitoring of all major public sector enterprises. Projects adding to infrastructure capacity have to adhere to time schedules laid down and accountability has to be insisted upon. Along with capacity utilisation and expansion it must be ensured that existing capacity is effectively maintained."

**Increasing cultivation:** The approach paper has estimated that the country's land stock can be increased by bringing 17 million hectares of culturable waste and 20 million hectares of old and current fallows back under cultivation.

**Transport sector:** The approach paper has stressed that the priority areas in the case

of railways should be electrification of high-density routes, introduction of heavier trains of 4,500 tonnes of development of rapid handling terminals, improved maintenance facilities and installation of computer-based information systems. "In dealing with the question of accessibility and opening of areas for development, alternative models of transport which could be economical should be considered."

Commenting on metropolitan transport, the paper said provision of public transport in the metropolitan cities and development of metropolitan transport using electricity-based systems to conserve liquid fuels and to reduce pollution have to be emphasised. The transport needs of towns approaching the category of metropolitan cities and the role of transport in development and land use planning have to be examined and taken into account. The transport sector is a major user of energy and it is necessary to emphasise the development of energy-efficient modes. The use of diesel oil for transportation has to be reduced to the minimum by the optimum use of railways for long distance transportation.

With regard to investment, priority should be given for completion of essential on-going schemes which add to the transport capacity and provision should be made first for completing these schemes before new schemes can be taken up. In addition, emphasis has to be given for investment for replacement and maintenance and to improving the productivity of the existing assets through technology upgradation and modernisation. Improvements in project planning and execution are very necessary. Detailed project reports must be prepared before clearance and acquisition of assets programmed according to long-range requirements."

## KASHMIR BRINGS ROLE OF GOVERNORS INTO QUESTION

Madras THE HINDU in English 8 Jul 84 p 2

[Article by G. K. Reddy]

[Text] ONCE again there is a heated public debate on the role of Governors under the Constitution, since it has become a subject of renewed controversy in the wake of what Mr. Jagmohan has done in Jammu and Kashmir. It has raised some awkward questions of both political propriety and constitutional rectitude, because the Governor has seemingly acted in this case more as a pro-consul of the Union Government than an agent of the President, using his discretion in the true spirit of his oath of office.

Mr. Jagmohan was indiscreet in first flying to Delhi for consultations which in effect amounts to seeking instructions, then allowing the defectors to assemble secretly at Raj Bhavan at night presumably with his knowledge, thereafter confronting a surprised and shaken Dr. Farooq Abdullah with a fait accompli and finally dismissing him with indecent haste in the course of the day and swearing in Mr. G. M. Shah before sunset—with all the ugly overtones of a contrived constitutional coup to get rid of a recalcitrant and often defiant Chief Minister who was not easily amenable to Central advice.

The point is that the same objective of edging out Dr. Abdullah—if, indeed, this had to be done in the larger national interest—could have been accomplished in a less ham-handed manner and with greater sophistication with all the appearance of respect for constitutional conventions.

#### Cavalier Behaviour

It would be equally wrong to jump to the reverse conclusion that Dr. Abdullah has become an innocent victim of a diabolical political conspiracy engineered from Delhi, since he had unwittingly rendered himself vulnerable to Central intervention by persisting in his cavalier behaviour and playing for high stakes, imagining that he could get away with his defiant attitude.

As a product of the new dynastic democracy in India, he thought he could function arbitrarily as his late father did without his charisma and profound influence over the Kashmiri people. The family squabbles and pinpricks from the Congress (I) compelled him to seek allies elsewhere to the point of entering into an electoral alliance with pro-Pakistani elements to outwit his local opponents owing their inspiration to Delhi.

The young Abdullah thus placed himself needlessly on a collision course with the Centre and, what was worse in the opinion of Mrs. Gandhi's Congress, he lined up with other opposition parties in the country to pose a combined challenge to her rule at the Centre.

The Congress (I) was certainly entitled to play politics in Kashmir to split the National Conference and dislodge Dr. Abdullah from power by adhering to the normal rules of the game, without bringing the Governor into the picture beyond a point. In transferring Mr. B. K. Nehru and installing Mr. Jagmohan, the Centre unnecessarily created the impression that it had deliberately chosen a hatchet man who could be relied upon to engineer Dr. Abdullah's exit by encouraging defections.

#### Grace Appointments

The real issue is not whether Dr. Abdullah brought about his own downfall by over-reaching himself, but whether the Governor acted with propriety in the manner in which he dismissed him. The role of Mr. Jagmohan in this sordid affair raises, in turn some bigger questions about the real role of a Governor under the Constitution.

The earlier norms set for selection of eminent persons for governorships have downgraded over the years and reduced to pure and simple grace and favour appointments for providing sinecures to unwanted politicians and retired civil servants.

A worse thing that happened was the violation of the old convention that those who were appointed Governors would give up active politics, resign from their parties and retire as elder statesmen without seeking any further favour from the Government. Many of them have been permitted to reenter politics to become Ministers or take up other appointments with the result that during their tenure as Governors they have tended to subserve the interests of the ruling party at the Centre that is in a position to reward them. The whole institution of governorship has been reduced into a subordinate office of the Centre, with the incumbents ever willing to do what they were told to do, or expected to do, in different situations without always exercising their independent judgment.

#### Lure of Good Living

There have no doubt been some honourable exceptions of Governors, both politicians and civil servants, using their discretion prudently without treading on the coars of the Centre. They have been able to conduct themselves with great dignity, inspiring confidence in their respective States and wielding considerable influence in Delhi, so that their views received due attention in dealing with difficult situations. The majority of them have, however, tended to play safe by acting as proxies of the Centre without exercising their discretion or letting those in power in Delhi have the benefit of their independent advice.

As a result, there has been rapid erosion of both the prestige and importance of the office of Governor, which has now been reduced to such an unattractive

and unsought after sinecure that one of the status symbols of an aspiring politician today is to let others know that he or she has been considered or offered a governorship but declined it. But it is still keenly sought after by retired service chiefs and senior civil servants who cannot find attractive berths for themselves in international organisations and because of the lure of good living in Raj Bhavans even in these days of austerity and poor allowances.

### Unhealth Precedents

Unfortunately, a lot of unhealthy exceptions were made in Nehru's time to accommodate important people even if it meant violating established conventions. After he served as Governor of West Bengal and then as Governor-General of India Rajaji, was made Home Minister in the Union Cabinet before he became Chief Minister of Madras. The then Comptroller and Auditor-General, Narahari Rao, was appointed India's Executive Director on the World Bank. The late M. C. Chagla, a former Chief Justice of Bombay High Court, was made an Ambassador and later included in the Union Cabinet and more recently a governorship was given to a chairman of the Union Public Service Commission on his retirement.

A more shocking example was the permission given to Mr. Morarji Desai to be sworn in as Chief Minister of the old Bombay State for a second term even after he was defeated in the elections. An equally bad case was that Mr. B. C. Roy was allowed to retain six of his 11 ministerial colleagues, after they were defeated in the same general elections.

The precipitous decline of all established democratic norms and administrative conventions did not stop with the frequent resort to such exceptions to accommodate favourites in pivotal positions. The Janata Government did not behave any better when Mr. Charan Singh dismissed Congress Governments in nine States in 1977 even without the formality of seeking the advice of the Governors, and the Congress (I) did no better on Mrs. Gandhi's return to power in 1980.

The Governors were utilised on several other occasions by the Centre to get rid of unwanted Chief Ministers including a few belonging to the ruling party itself when they were suspected to be suffering from shades of Bonapartism, as it happened in the case of Mr. H. N. Bahuguna, when a special emissary was sent to Kiev to get Giri's signature while he was on a State visit to the Soviet Union.

### Manipulations

The decline of the prestige and calibre of State governments is attributable at least in part to the appointment of incompetent Governors and imposition of unwanted Chief Ministers by the same Central caucus controlling the party and the Government. Many of these appointments made in the name of the Prime Minister are actually manipulated by those operating from behind the scenes who manage to secure her approval by putting forward their own choices as the only appropriate ones available in that particular context.

An element of extra-constitutionality has been allowed to creep into the functioning of the political system, blurring the dividing lines between governmental,



party and family interest, as it happened in Kashmir with Sheikh Abdullah nominating his son as his successor and the anointed heir playing havoc to hang on to power at any cost.

The doctrine of a committed bureaucracy introduced by Mrs. Gandhi herself in the early Seventies at the Centre has been extended to the States by several Chief Ministers who have demoralised the civil services. The Governors who are supposed to be the constitutional heads of the States have not been able to protect the interest of honest civil servants, since they themselves have been taking a subjective view of everything done by the Chief Ministers on the basis of their relationship with the Centre.

What then is the way out of this deplorable situation? It is not enough to review or even revise Centre State relations, to provide greater autonomy to the States, if those at the helm of affairs in the States, whether it is appointed Governors or elected Chief Ministers, do not display enough respect for constitutional procedures and are inclined to be swayed by political or personal considerations.

The institutional damage that has been done to Indian democracy under pressure of party splits and electoral exigencies has to be undone before anything else can be done to remove these distortions and restore the old values

The new political culture, or sub-culture, that is warping the minds of the country's leaders and colouring their attitudes is only a sad reflection of the sub-nationalism that has been promoted in recent years by regional, religious and linguistic influences. The Indian polity today suffers from many such negative factors which cannot be removed without improving the quality of political leadership and calibre of men in pivotal positions.

It is not difficult to evolve proper conventions for the choice of a president and vice president of great eminence who can rise above the rut of narrow considerations to ensure the largest measure of support for them. Similarly, a conscious attempt should be made to appoint the best available men and women as governors of States who will be able to command the respect of the people.

At the political level, the Centre has to stop imposing nominated Chief Ministers on States and tolerating corruption in higher places. Those who are entrusted with key portfolios at the Centre have to be men of stature within the ruling party, not just favourites of the Prime Minister with little or no following of their own. It is an insult to the electorate that has voted against a party candidate for whatever reason to be inducted into the Union or State Cabinet whatever the compelling circumstances for it.

#### **Semi-unitary Set-up**

As a Union of States, India is not a loose federation but a semi-unitary set up with a strong Centre. The framers of the Constitution provided for a strong Centre, in the wake of partition, in the belief that the country needed a Union Government with concurrent jurisdiction extending to many spheres of national importance, apart from foreign affairs, defence and communication. But a strong

Centre does not mean any arbitrary Centre bent on ignoring or over-riding the autonomy of the States.

The Constitution with all its checks and balances cannot work satisfactorily unless the Centre is able to exercise restraint and tolerance invoking its powers of intervention only in exceptional circumstances when it can count upon the support of the entire nation, not in a capricious way in pursuit of divisive party politics or for settling old scores.

As a sub-continental country with a population of over 700 millions, India has to base its unity on its diversity not on imposed uniformity. It is a country in constant flux because of the many conflicts of religion and region with many sub-national pressures working at cross-purpose, while the bulk of the people are dissatisfied with the non-fulfilment of their rising expectations.

It is not enough for the Congress (I) to say that Mrs. Gandhi is the only leader who can hold the country together in these difficult times. She should be able to provide adequate reassurance that, acceptable as she is to all sections of Indian society, she has this capacity to restore the people's faith in the country's political dispensation, without playing favourites and dividing the nation. And this in brief is the real challenge that is facing India at present.

CSO: 4600/1027

## ANALYST NOTES CONCERN OVER SOUTH ASIAN RELATIONS

Madras THE HINDU in English 8 Jul 84 p 8

[Article by G. K. Reddy]

[Text] NEW DELHI, July 7. The Foreign Ministers of the South Asian seven--India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan and Maldives--are meeting in Male for three days from Monday to prepare the ground for a summit conference of their heads of Government to provide the necessary impetus for increased regional economic cooperation.

From India's point of view, the meeting in Male offers a timely opportunity for setting the right tone for its new neighbourhood diplomacy to strengthen the country's bilateral relations with the other six nations of the region.

Amidst its increasing preoccupation with domestic developments, India has not lately been paying much attention to foreign affairs, including the problems of the non-aligned movement. The recent events in Punjab and Kashmir have demonstrated the country's increasing vulnerability to foreign intervention, while the happenings in Assam have posed a different kind of threat of how a sensitive border region can be destabilised through illegal immigration.

Equally worrisome: The events in Sri Lanka have been causing equal concern to India, since any further exacerbation of the ethnic tensions in the island could embitter feelings in Tamil Nadu, providing an excuse to political malcontents to propagate the theory that the northern-based Central Government was not being sensitive enough to southern sentiments. It is a disturbing possibility that the Central leadership can ill-afford to ignore, especially on the eve of parliamentary elections.

The relations with Nepal, too, have been rather uneven, with recurring controversies over issues that could be settled quite easily with mutual confidence. The China factor continues to complicate the bilateral relationship, adding to the prevailing misunderstandings about each other's intentions.

Nepal's attempt to put a squeeze on the Indian presence and influence in the kingdom has already soured the relations, threatening to create an open rift between the two countries which have so much to gain through increased cooperation.

The External Affairs Minister, Mr. P. V. Narashimha Rao, and the Foreign Secretary, Mr. M. K. Rasgotra, will have occasion to talk of such bilateral problems with their counterparts from other South Asian countries when they spend three days together in Maldives. The Pakistan Foreign Minister, Mr. Yaqub Ali Khan, who will be travelling with Mr. Narashimha Rao by the same plane, will certainly try to utilise the new warmth generated in India by his Government's helpful attitude during the latest hijacking episode to soothe India's ruffled feelings over Pakistan's alleged involvement in the Punjab events.

**Ties with Pakistan:** Though all such sins cannot be washed off overnight with one wave of sentimentality, the mere fact that the soured relationship had been symbolically sweetened to a slight extent by this single episode would help to set the tone for the series of Indo-Pakistani exchanges scheduled for the next few weeks, culminating in a meeting of the joint committee in Delhi. After the White Paper on Punjab has been published, a conscious attempt will be made to treat the alleged Pakistani complicity in the happenings in this border State as a thing of the past, without letting it become a major hurdle to the process of normalisation.

The Foreign Minister of Nepal, who will be flying back from Male with Mr. Narasimha Rao in the Indian aircraft has been invited to stay in Delhi for two days on an official visit to discuss some of the Indo-Nepalese problems. Apart from the exasperating delays in evolving mutually agreeable procedures for just utilisation of Himalayan water resources, the Government of India is exercised over the contents of the so-called Gurung report suggesting introduction of passports and imposition of other restrictions to regulate the entry and domicile of Indians, besides curtailing cultural contacts.

No such parallel dialogue is planned with Bangladesh in the near future. But the door is being kept open for an amicable settlement of all outstanding issues, such as division of Ganga waters, the dispute over border fence construction, exchange of enclaves, demarcation of the maritime boundary and ownership of off-shore islands.

The relationship with Sri Lanka is a lot more complex because of the Tamil problem. But here again the Indian policy is to keep on persevering in its efforts to bring about an amicable solution, despite Sri Lanka's attempts to wriggle out of its earlier commitment to offer a reasonable measure of autonomy to the Tamil community in the northern region.

And the relationship with Bhutan which is by far the most cordial among all these neighboring countries has to be updated with some imaginative gestures to meet its more fundamental aspirations.

CSO: 4600/1027



## FOOD MINISTER SAYS COUNTRY'S POSITION 'COMFORTABLE'

New Delhi PATRIOT in English 12 Jul 84 p 5

## [Text]

The food position in the country is quite comfortable, with total stocks with Government agencies touching 20.7 million tonnes on 1 June, Union Food and Civil Supplies Minister Bhagwat Jha Azad said on Wednesday, reports UNI.

Addressing a meeting of the parliamentary consultative committee of his Ministry, Mr Azad said the stock position was an improvement over the previous record of 18.8 million tonnes held on 1 June, 1977.

Procurement of wheat, Mr Azad said, had already crossed nine million tonnes against last year's record of 8.3 million tonnes for the whole season. Rice procurement so far was 7.5 million tonnes, also a record.

At the same time, Mr Azad said, the demand for foodgrains, particularly wheat, had gone down this year. The monthly average distribution came down to about 1.1 million tonnes this year, from 1.35 million tonnes last year.

This showed that the open market availability of foodgrains was good this year, the Minister pointed out.

Referring to the setback in sugar production in the current year of 1983-84, the Minister said that it was mainly due to natural factors, such as drought conditions in the previous year in Maharashtra, parts of Tamilnadu, Andhra Pradesh and Karnataka and late rains in the northern region. The total sugar production in the current 1983-84 season was expected to be 5.0 million tonnes as against a record production of 8.43 million tonnes in 1981-82 and near record

production of 8.23 million tonnes in 1982-83 seasons.

However, in spite of this setback, the current year's production was higher than that of any year prior to 1981-82. This, together with the large carryover of about 4.6 million tonnes at the beginning of the season would be sufficient to meet even the highly rising demand of sugar in 1983-84, the Minister added.

Pointing out that there was a gap between the demand for and production of edible oils, Mr Azad said that during the oil year of 1983-84 (November, 1983-October, 1984), the estimated demand was about 4.5 million tonnes against the domestic availability of 3.3 million tonnes.

The gap, accentuated by the pressure from soap and allied industries was being met, as a short-term measure, by imports. However, the major thrust of the Government was to increase oilseeds production to achieve self-sufficiency in this field.

The Minister said supplies of imported edible oils to public distribution system, were being maintained at a high level to replenish the overall availability in the country.

Mr Azad said 9000 tonnes of coconut oil had also been imported to be marketed through fair price shops, and cooperative outlets in one kg packs. The prices of edible oils in the world market, being very high, the Government was incurring heavy loss.

With a view to pass on a part of the increase to the consumers, the issue price of all imported edible oils had been increased by Rs 1,000 per tonne from 24 May.

As a result of this increase and the hike in input cost between February, 1982 and now, the retail price of vanaspati had also been increased.

CSO: 4600/1039

# COUNTERATTACK AGAINST SOVIETS IN PANJSHER VALLEY REPORTED

Tehran TEHRAN TIMES in English 26 Jul 84 p 1

[Text] NEW DELHI, (Dispatches)—Afghan guerilla leader Ahmad Shah Masoud launched his first major counterattack against Soviet troops controlling the strategic Panjshir Valley, resistance sources said Tuesday.

Casualties were high in the attack on the heavily fortified Soviet outpost at Bazarak inside the 70-mile-long (80 km) valley, the sources said.

Several guerillas reported the recent battle but were unable to provide details or the date of the raid.

Up to 20,000 Soviet and Afghan government troops backed by tanks and high-altitude bombers drove the guerillas from the Panjshir, which begins 50 miles (80 km) north of Kabul, on April 20.

Guerillas led by Masoud, 30, had repelled six previous Soviet assaults on the rugged valley, which the Islamic resistance used to stage attacks on a vital Soviet supply route.

The attack on Bazarak was the first time since April the guerillas under Masoud have dared to mount more than minor harassment operations against the Soviets occupying of their former stronghold.

Diplomats had reported earlier that Masoud withdrew most of his guerilla fighters in the face of the spring assault but would return to confront the Soviets.

In another development, resistance sources who asked not to be identified said recent Soviet reprisal attacks on the southern city of Kandahar killed about 300 civilians.

The attacks came after guerrillas raided Soviet and Afghan government positions, destroying two tanks and killing 15 soldiers inside the city.

Other reports from Islamabad, Pakistan said Soviet occupation forces in Afghanistan have begun a new offensive south of Kabul, the capital, reportedly killing many civilians in several days of bombings according to a Western diplomat Tuesday.

According to the diplomat's report, the combined Afghan government and Soviet operation got underway in the Logar area.

Troops from the provincial capital of Ghazni were reported heading north to join up with forces moving south from Kabul, 70 miles (100 kilometers) away.

The diplomat, who spoke on condition of anonymity, said helicopter activity out of Kabul airport in the Logar direction had been heavy for several days. He added there were reports of a number of villages being bombed, causing heavy civilian losses.

He also said there were reports of heavy fighting in Kabul and that two Soviets, whom he was unable to identify were killed near the Defense Ministry on July 14.

Meanwhile, a high level of military activity was reported in the southeastern province of Paktia, bordering Pakistan, as Soviet forces continue a campaign to interdict guerilla supply lines, he said.

CSO: 4600/685

**ICO CRITICIZED FOR 'MAKING SADDAM BOLDER IN INHUMAN ACTS'**

Tehran TEHRAN TIMES in English 23 Jul 84 p 3

[Text] TEHRAN—Just as the 9-member "Peace Committee" of the Islamic Conference Organization (ICO) assigned to investigate the Iraqi imposed war, concluded its work in Jeddah, the Iraqi regime in an official statement announced that it has struck "a large marine target" in the Persian Gulf on Thursday morning, said IRNA.

Following a two-day meeting, the committee in its statement appealed to both Iran and Iraq to refrain from spreading the war in the Persian Gulf and halt attacks on oil tankers.

The Iraqi regime, which has initiated attacks on oil tankers navigating in the Persian Gulf waters, has completely ignored the request of the ICO committee and has announced its latest action in the Persian Gulf waters.

The committee's statement is completely silent on the Iraqi use of chemical warfare against the Iranian forces. However, it has urged both countries to halt attacks on residential areas.

Furthermore, the committee has made no mention of Iraq's silence towards the United Nations request concerning halt on usage of chemical warfare. It has stated that "the ICO has decided to have regular contacts with Baghdad and Tehran to find proper ways to end" the Iraqi imposed war.

The two-day session was attended by presidents of Gambia, Bangladesh and Pakistan, the PLO Chairman Yasser Arafat, the ICO Secretary General Habib Chatti foreign minister of Guinea, Malaysia and also the Senegalese ambassador to Tunisia.

In light of the previous attitudes of the ICO, the Islamic Republic of Iran has announced that the recent initiative of the organization, like those in the past, would not be fruitful.

It has also made it clear that definitely any attempt to ease tension in the region without eliminating its source, Saddam, would be doomed to failure.



The ICO committee in the past has failed to show proper reaction towards the Iraqi regime's crimes including its deployment of chemical weapons, an action which has been condemned by the world public opinion and also international circles.

Generally, the peace efforts of the ICO committee has made the Iraqi ruler bolder in his inhuman and aggressive acts.

The Islamic Republic of Iran has clarified its stance towards the committee by taking into account the above facts and also the partial nature of certain members of the committee and their statements in support of Saddam's aggressions.

CSO: 4600/687

# NATIONWIDE DEMONSTRATIONS SUPPORT WOMEN'S DRESS CODE

Tehran TEHRAN TIMES in English 26 Jul 84 pp 1, 3

[Text] TEHRAN--Demonstrations across the country have been organized yesterday to persuade people, particularly women to observe Hajab (the Islamic mode of dress) more strictly.

An IRNA report yesterday described a rally of ardent Moslem revolutionary youth, men, women and children who assembled at the Vali-Asr Square in the Central part of the capital intersecting one of the busiest highways, to listen to the speeches from a member of the Guardian's Council for the Constitution Hojjatolislam Mohammad Emami Kashani, a woman Majlis Deputy named Sister Dabbaq in the IRNA report among others and also heard messages, one of which was from the Moslem combatants at the fronts.

The rallies according to IRNA are believed to have been organized by the High Council for Islamic Propagation Organisation.

The demonstrators were strong in their condemnation of those whom they said were "trampling underfoot Islamic values regardless of the ideals and aspirations of the Moslem combatants at the fronts and what they were sacrificing their lives for by not observing the proper modes of Islamic dress (mainly the Hajab for women and prescribed modes for men) and in doing this aligning themselves with the policies of the enemies who seek to undermine Islam and its divine values."

In their slogans the demonstrators called on behejabis (those not complying with hajab) to "let go of the US and return to the lap of Islam."

After the marchers arrived at Tehran's Vali-Asr Square a message from the family members of the martyrs, missing combatants and the handicapped fighters was read and later one of Tehran's deputies to the Islamic Consultative Assembly, Monireh Gorgi, shed light on the issue of bihejab (non-observance of Islamic mode of dressing) and its roots.

Next a message from the Moslem combatants now in the battle fronts was read in which the warriors of Islam called on those who deliberately mocked Islamic values "to learn from the fate of the anti-Islamic factions and come to their sense and respect the nation's Islamic ideals before it is too late."

In continuation, another Tehran deputy in the Majlis, Sister Dabbaq spoke to the demonstrators. Condemning the issue of bihejab, she invited the people to remain patient and let judicial officials handle the case against the offenders."

Her address was followed by a speech of a member of the Guardian's Council, for the Constitution Hojjatoleslam Muhammad Enami Kashani who discussed the issue of hejab from the view point of Islamic literature and the Holy Qoran.

The ceremony was concluded when a 6-article resolution was read to the audience who voiced their approval of the contents of the resolution by shouting slogans of Alla-o-Akbar (God is Great).

So far there have been reports from IRNA correspondents on similar gatherings in Qom, Zanzan, Khorramabad, Kerman, Isfahan, Hamadan, Shiraz, Mashhad, Tabriz, and Ilam.

Banners and slogans called on western-influenced individuals to respect the beliefs of the Moslem majority and not to violate the Islamic laws on Islamic attire.

CSO: 4600/686

**SUNNI ULEMA FORBID LINKS WITH KURDISH REBELS**

Tehran TEHRAN TIMES in English 21 Jul 84 p 2

[Text] MAHABAD--Sunni Ulama in northwestern Iran declared 'Haram' (forbidden) any links or cooperation with the counterrevolutionary groups in the region, in a statement published here. It also declared Wajib (religious obligation) support for the Islamic government in Iran.

Sunni Ulama from West Azarbaijan and Kurdistan provinces issued the declaration after a two-day seminar here.

"We declare haram any link or even cooperation with the outlawed (Kurdish) Democratic Party (KDP) and the Communist Kumaleh Party...which have turned from Islam to Blasphemy and we request all Moslem people to refrain from having any relationship with them," he said.

It also condemned the two groups for their Socialist and Marxist ideas, close relations with Iraq, and blocking development activities in northwestern Iran.

"Based on our legal and religious duty, we urge (the government) to continue purging operations until the total elimination of the counterrevolutionaries and the establishment of complete security in the region."

It also condemned the conspiracies of the United States, the Soviet Union and France for their military and financial support for the Iraqi regime which is encouraging Saddam "to fight against Islam, the Qur'an and the Islamic Republic of Iran."

While renewing their support for Imam Khomeini and Ayatollah Hussein Ali Montazeri, they called for unity among all Moslems and rejected nationalist tendencies among Moslems.

"Considering the bitter experience of discord among Moslems, we call upon all Moslem brothers and sisters of any tribe, race or language to strive for the strengthening of unity among Shiite and Sunni Moslems," it said.

CSO: 4600/683



# JAPAN LAUNCHES MECHANIZED RICE GROWING PROJECT

Tehran TEHRAN TIMES in English 24 Jul 84 p 2

[Text] THERAN--Iran and Japan will cooperate for the expansion of what IRNA termed as "under-rice cultivation land."

An agreement was recently signed between Japanese institute for international cooperation, and cultivation deputy at Iran's agriculture ministry, for the purpose, according to IRNA.

The relevant project will be implemented in an area of 100-110 thousand hectares of land around Lar Dam, north east of Tehran, the report said.

Cultivation deputy of agriculture ministry, Jalal Rasoulof, told IRNA Monday that Iran and Japan would conduct research cooperation for the expansion of mechanized rice cultivation.

Contractually, he added, Japan is expected to study the project within two years and would inform Iran of the results on due time.

The first Letter of Understanding was signed between the two countries three months ago, he said adding that the first Japanese expert group will arrive in Tehran within the next two months.

He noted that this was the first agricultural cooperation between the two countries after the victory of the Islamic Revolution.

Rasoulof stressed that this new measure could pave the way for further future cooperation in this respect.

He hoped that similar measures would be taken in areas suitable for rice cultivation to increase rice production in the country.

Meanwhile, the Japanese ambassador tooTehran, Yutaka Nomura, met and conferred with the head of the Martyrs Foundation and Imam Khomeini's representative to the foundation, Hojjatoleslam Mehdi Karrubi, Sunday afternoon.

The Japanese ambassador praised the great responsibility of the foundation and talked about a Japanese mother converted to Islam, whose only son was martyred in warfronts.

The Japanese ambassador hoped that the Iraqi imposed war would "end soon and peace and stability would replace it."

Hojjatolaslam Karrubi referred to support of the Superpower for the Iraqi regime and added that if they ceased their support, the Iraqi ruler would fall and peace would be established. He also explained about the services provided by the foundations.

CSO: 5600/684

# **INCREASE IN NON-OIL EXPORTS REPORTED**

Tehran KAYHAN INTERNATIONAL in English 19 Jul 84 p 1

[Text] TEHRAN, July 18 (IRNA)--Iran's non-oil exports rose 29 percent last year (ended March 20, 1984) to 30.85 billion rials (\$346.7m), compared to the previous year, a deputy commerce minister said.

He said a committee comprising various ministries had met to balance the country's trade deficit with West Germany. On trade with Japan, he said no specific limitation had been announced on imports from Japan since Iran presently had a trade surplus with that country.

He also said trade offices would be created in six countries to expand exports and control the quality and quantity of imported goods. The six countries are Turkey, West Germany, Britain, India, Japan and Abu Dhabi.

Khosrow-Taj, the Commerce Ministry's foreign trade deputy, told IRNA in an interview today that 46 percent of last year's non-oil exports consisted of carpets and pistachios.

Along with the government's policy to encourage exports, he said the two items were a big factor in putting an end to the decline of non-oil exports in recent years.

In terms of weight, last year's non-oil exports showed an increase of 38 percent to total 224,348 tons compared to the previous year.

On the decline of imports this year, he said a new foreign exchange allowance was necessary because of the extraordinary situation in the Persian Gulf and the large pile-up of goods at the ports.

He explained that the rise in imports last year was because of stockpiling of certain goods.

Khosrow-Taj added that 20 percent of Iran's imports were from Muslim-populated countries, eight percent from Socialist countries and the remaining 72 percent from other countries.

The economic objectives of Iran's trade policies was to establish an Islamic Common Market, eliminate great dependency on oil exports and acquire necessary technology, among others, he said.

"The political objectives of the Islamic Republic of Iran in its foreign trade is to strengthen and help the political independence of Muslim and deprived nations of the world," he said.

In the past six months, he said, major economic contracts had been signed with Pakistan, Turkey, India, Hungary, Syria, Poland, Spain and China and some other countries.

However, Khosrow-Taj said the ministry had no clear-cut guidelines since the Bill on Foreign Trade Nationalization had not yet been approved by the Majlis after more than three years when it was initially prepared.

Unless the bill is approved, existing problems facing the ministry could only be solved temporarily, he said.

CSO: 4600/675



## BRIEFS

**ARRIVAL OF GDR TEAM--TEHRAN--**A cultural delegation of the German Democratic Republic's higher education ministry arrived in Tehran yesterday morning. The visit is made following talks between officials of Iranian ministry of culture and higher education and GDR's cultural officials and is aimed at exchanging views on technical, scientific and university affairs. During its stay in Iran the German delegation, headed by Professor Garscha, GDR's deputy higher education minister, would meet and hold talks with cultural officials of the Islamic Republic. Professor Garscha told reporters at Tehran's Mehrabad airport that his visit to Iran was made with an objective to "further become acquainted with the Islamic Revolution and university activities in Iran," reported IRNA. He said that since the policy of his country was based on cooperation with all revolutionary states, he hoped the two sides would achieve agreements for the exchange of students at university level. A later IRNA report said cultural delegation of German Democratic Republic (GDR), headed by Professor Garscha, GDR's deputy higher education minister, yesterday met and conferred with Dr. Manuchehr Mohammadi, deputy of students affairs of culture and higher education ministry of Iran. The two officials discussed mutual cooperation in cultural affairs areas, during their meeting. [Text] [Tehran TEHRAN TIMES in English 24 Jul 84 p 2]

**MEETING WITH TANZANIAN REPRESENTATIVE--TEHRAN, July 17, IRNA--**The Iranian ambassador to Tanzania, Br. Lavasani, met and held talks with Tanzanian speaker of National Assembly Adam Sapi Mkwawa and outlined the Islamic Republic's stance on the Iraqi-imposed war and towards superpowers' aggression. Outlining the Islamic Republic's stance vis-a-vis the Iraqi-imposed war and superpowers' aggression Lavasani stressed for further expansion of good relations between Iran and Tanzania. Tanzanian speaker in reply hoped that he would have the opportunity to visit Iran and see for himself the developments achieved by the Islamic Republic. [Text] [Tehran KAYHAN INTERNATIONAL in English 18 Jul 84 p 2]

**INDIAN JEEPS PURCHASE--NEW DELHI, July 18 (IRNA)--**Iran is to receive 10,000 Indian manufactured 'Mahindra' Jeeps following an agreement signed between the Islamic Republic and an Indian firm in Tehran late last week. In a report, the United News of India (UNI) said that according to the Rs. 410-million agreement, the jeeps would be delivered to Iran in December. Previously, the Islamic Republic had stopped purchasing Mahindra jeeps due to the low quality of its engine. But, during the recent visit to Iran's Commerce Minister Hassan Abedi Jaafari to India, officials of the Indian firm promised to deliver jeeps with more powerful engines which could match international standards. [Text] [Tehran KAYHAN INTERNATIONAL in English 19 Jul 84 p 2]

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**DATE FILMED**

31 August 1984

**Sharing political power:** At a higher level, the Government is exploring ways and means of assuring the Sikhs their due share of political power both in Punjab and at the Centre by isolating the extremists and encouraging the moderates to get back into the national mainstream. The Defence Ministry has taken suitable steps to make the Sikh troops better aware of the horrors of the senseless and indiscriminate violence perpetrated by the terrorists which led to the army action.

The process of weeding out civil servants and police officers of doubtful integrity from the Punjab administration is to be followed by the induction of Punjabi officers, both Hindu and Sikh, of proven integrity from the cadres of other States to fill the vacancies during this crucial period of pacification.

**Generous financial help:** In the economic sphere, the Government is ready to adopt a generous attitude and make available additional funds for the restoration of both agricultural and industrial production disrupted by the disturbances in the State. The restrictions imposed on the movement of individuals and vehicles have already been lifted and the rail traffic too is back to normal after two or three months of interruption.

The Congress (I) is planning a State-wide mass contact movement to assuage the ruffled feelings of the Sikhs and assure them that they will continue to have their rightful place in Punjab in spite of the tragic events that led to the current crisis of confidence in the State. The idea is to flood the countryside with Good Samaritans who are ready to go to the villages and visit humble homes to provide a measure of reassurance to the simple folks emotionally uprooted by the recent events.

The five-member committee of experts set up by the Centre to revamp the Punjab administration is now in Chandigarh discussing the details with the Governor and senior officials of the State Government. Simultaneously, the Cabinet Secretariat is taking steps to reorganise both the Central and Local intelligence services in the State.

**Restoring civil administration:** The army authorities are very keen that the process now under way of thinning out the military units brought to Punjab from outside should go on uninterrupted so that the civil administration could start assuming complete responsibility for law and order in a few weeks' time. The present thinking in Delhi is that the switchover should start in the interior districts and be followed up in the border areas where some extra precautions have to be taken to ensure that there is no trouble after the army has withdrawn from there.

PTI reports from Chandigarh:

**Gurdwara Handed Over**

The historic Gurdwara at Muktsar was today handed over to the Shiromani Gurdwara Prabandhak Committee by high ranking army officers at a function in Faridkot district this morning. Braving heavy rains more than 10,000 devotees thronged the Gurdwara.

CSO: 4600/1032

## EXTERNAL AFFAIRS MINISTER INTERVIEWED IN SRI LANKA

Calcutta THE STATESMAN in English 9 Jul 84 p 5

[Text] COLOMBO, July 8.--The External Affairs Minister, Mr P. V. Narasinha Rao, has set at rest the propaganda that India's Sri Lanka policy was dictated by "politics" at home reports PTI.

"There is absolutely no question of Sri Lanka being sacrificed in the interest of domestic politics in India". he said in an interview with the Island newspaper here today.

Mr Rao, reacting to a statement attributed to the Sri Lankan President, Mr J. R. Jayewardene, to this effect, reaffirmed that India stood for the unity and integrity of its neighbour.

The Minister also reiterated India's stand on terrorism, in reply to a question on the Jayewardene position that there could be no political solution without eradication of terrorism. "We have always said that terrorism should be eradicated. But can this happen if the cause persists," he asked.

He clarified that India had not received, so far, any Sri Lankan requests for extradition of Tamil extremists and noted that there were procedures under Indian law to deal with the question.

Denying that India gave sanctuary and military training to the Tamil extremists, Mr Rao made it clear that India did not believe that a solution to the island's ethnic problem could be found through violent means.

Noting that 40,000 Sri Lankan nationals had sought refuge in India after the ethnic holocaust last July the Minister said: "We would like the Government of Sri Lanka to create conditions that make it possible for these people to go back to their homes."

While denying that Sri Lanka was being sacrificed on the altar of domestic politics in India, Mr Rao said: "The ethnic problem in Sri Lanka has repercussions on India because of historic and human factors as well as the presence of refugees. That is why we offered our good offices to find a solution, without ourselves offering any proposals." He believed that the process of a political dialogue by the all-party conference offered "a good hope" and said all efforts should be made to work towards its success. Given the goodwill the deadlock could be broken, Mr Rao said.



GANDHI COMMENTS ON TIES WITH PAKISTAN

New Delhi PATRIOT in English 12 Jul 84 p 1

[Text] Prime Minister Indira Gandhi has said that India would press on with its efforts to befriend Pakistan, notwithstanding reports that Punjab extremists had found support in that country, reports UNI.

'In spite of everything we are trying to be friends because we think that is to our mutual benefit,' Mrs Gandhi said in an interview to a freelance journalist.

She was asked how extensive was Pakistan's involvement in Sikh problems.

She replied 'well we are told that there may be some training camp there. We don't know.'

'You have yourself probably seen government press and media of Pakistan and other foreign media where they have given a definite slant, where our side was ignored.'

Although India's point of view had been repeatedly put across to the media abroad, this had been ignored and the army operation had been portrayed as an attack on Sikhs, she said.

"There are elements in Pakistan who evidently think that anything that embarrasses India will strengthen them which I think is extremely short-sighted."

Asked if all this would cause a setback to the process of normalisation between India and Pakistan, Mrs Gandhi replied: "We are trying not to let it come in the way. Our Minister is presently there."

The Prime Minister was asked whether she saw any 'tie-up' among the trouble in Assam, Tripura, Bombay, Punjab and Kashmir.

She replied that there had been agitation on one issue or another. 'There are certain similarities in the way these people are behaving. Whether there is any tie-up or not, I do not know. But whether it is in the north, east or west, they are trying to get in touch with other extremists. And we do not know to what extent they are getting any support from outside elements.'

Asked whether somebody might be coordinating these agitations, Mrs Gandhi said it was difficult to say.

'There were different types of elements both within and outside working against us.'

Mrs Gandhi said "at some places we know they are making definite efforts. Now for instance in Kashmir the Sikh extremists and some other extremists there did get together. They seemed to be functioning together, demonstrating together and so on."

"But India is not going to be balkanized, because nationalism is strong enough to withstand these agitations. But our people must understand the problems as well as dangers and responsibilities to foster communal harmony to meet these agitations."

CSO: 4600/1039

## GANDHI, ADVISERS CONSIDER POLICY ON PUNJAB

Madras THE HINDU in English 8 Jul 84 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 7.

The Army authorities are satisfied that the backbone of the terrorist movement in Punjab has been broken, although isolated violence is continuing in the districts.

The combing operations in the countryside will go on till at least the end of this month for rounding up the last of the terrorists and recovering the arms and ammunition hidden by them at various places in the State.

But the Army is not jumping to the conclusion that the terrorist movement will be totally crushed before the bulk of the military units engaged in this operation are withdrawn from Punjab after turning over the law and order responsibilities to the paramilitary forces. Though the terrorists are no longer left with a command structure of their own to plan and conduct a new wave of violence on an organised scale as they did before the military crackdown, the remnants who have managed to escape arrest will still be in a position to indulge in isolated acts of terrorism.

**Disturbed areas decree extended**

A new notification was, therefore, issued today extending for another three months the earlier declaration of the whole of Punjab and Chandigarh as disturbed areas, empowering the police and the armed forces to arrest and search any person without warrant, and take such other steps as may be necessary to apprehend those indulging in violence. Though this is a routine extension, it is indicative of the disturbed conditions still prevailing in Punjab, despite stern military action to put down terrorism.

The chairman of the new committee of experts set up to revamp the Punjab administration, Mr. R. V. Subrahmaniam, met the Prime Minister today to get an idea of what she would want this committee to do to enable the civil set-up to assume complete responsibility for the maintenance of law and order. One of the terms of reference of the committee is to suggest how soon the Army should hand over control to the civil administration, after accomplishing the tasks assigned to it.

**Political challenge**

The main challenge is at the political level, since no new step has been taken by the Central leadership to heal the wounds and encourage Hindus and Sikhs to forget the painful chapter of their shared agony and look forward to the future with renewed faith in their kinship and common traditions. The withdrawal of the Army cannot by itself provide a feeling of reassurance to the Sikh, unless the prevailing political vacuum in Punjab is filled with some imaginative moves to create an atmosphere of amity and conciliation.

The Prime Minister and her advisers are giving a lot of thought to this aspect of the Punjab situation, as they debate on what can be done, or should be done, at the political level to supplement the governmental efforts, so that the policy of giving no quarter to known extremists can be matched with some well-meaning gestures to assuage moderate Sikh opinion. A programme of action is being chalked out, in consultation with some prominent Sikhs, to launch a State-wide mass contact movement.

The pressures and provocations of an electoral

campaign can rip open old wounds and revive bitter controversies if the political pacification programme does not make much headway before the Lok Sabha elections. But if the atmosphere in Punjab is not conducive enough for going through this ordeal with the danger of renewed tension and even violence, the Government would not be averse to the idea of putting off the parliamentary poll in the State as was done in Assam, during the 1980 elections.

The main task in Punjab, as the Centre sees it, is to avoid a repetition of the recent tragedy at any cost. And in its view, no price would be too heavy to pay for averting another such calamity, while those with deep scars on their minds continue to be swayed by raw emotions and inflamed passions.

## GANDHI, ADVISERS REVIEW POSITION ON PUNJAB

Madras THE HINDU in English 12 Jul 84 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 11.

The Prime Minister, Mrs. Indira Gandhi, called a high-level meeting today of her senior Cabinet colleagues, the Governor of Punjab and his Advisers, the Cabinet Secretary, Home Secretary and other officials dealing with the Punjab situation to review the latest position in the State.

The Governor, Mr. K. T. Satarwala, came to Delhi primarily to represent Punjab at the meeting of the National Development Council tomorrow. But Mrs. Gandhi decided to avail herself of his presence along with his Advisers to assess the over-all situation before important decisions are taken by the Centre on the pacification programme to win back the Sikh community's confidence.

Today's review also coincided with the return of the five-member committee from Chandigarh after its first-round of talks with the Governor and his Advisers on reorganisation of the Punjab administration. Mr. Satarwala gave the State Government's views on how soon the Army should be withdrawn from the State.

**Fear of flare-up**

Though the thinning-out process has been in progress for the last two weeks, there is a division of opinion at the Centre on whether the Army should turn over the law and order duties completely to the para-military forces and the State police, or continue to maintain its presence at key places in Punjab as a sort of insurance against revival of terrorism. One section seems to think there is bound to be a flare-up if the Army is withdrawn too soon, while another feels the very presence of the Army in strength would be provocation even to those interested in an early return to normalcy.

The present Government at the Centre appears to be caught up in the coils of the classic dilemma that bedevils all governments in a similar situation. It is inclined to take the view that any display of softness is likely to be misconstrued by the extremists, now lying low, as a sign of weakness. But some

of Mrs. Gandhi's advisers believe quite earnestly that the right moment for magnanimity is when the hardliners are down and out needing a face-saving formula to repair their fortunes.

**Fails to convince**

The Army itself has not crowned itself with glory by saying it needs time to recover all the illicit arms still stored in the Golden Temple complex. This is not a very convincing argument for prolonging its presence in and around the temple's premises. The civilian authorities in Delhi and Chandigarh are apparently not too impressed by this contention, partly advanced by the Army under the mistaken notion of justifying the Government's own indecision.

The meeting today was not intended to find a way out of this predicament, with the situation in Punjab still fluid and nobody coming forward to set the right tone for reconciliation. It merely gave the top policy-makers an opportunity to give expression to their misgivings in the privacy of the Prime Minister's office and feel reassured by the views of their colleagues that the Government was not really losing the initiative by prolonging the wait-and-see phase.

The Prime Minister herself is keen on getting the pacification programme into full stride soon. But she is apparently torn by conflicting advice about whether it would be more prudent to proceed warily or plunge the whole hog into it.

As a shrewd politician, she knows that whatever the sins of the Sikh extremists, there can be no peace in Punjab until the Sikh community as a whole feels reasonably reassured of a fair deal from the present Government. And in taking the calculated risk of not prolonging the Army presence beyond the point of public tolerance, she will have to bear the cross if anything goes wrong again.

## APPROACH PAPER TO SEVENTH 5-YEAR PLAN SUMMARIZED

Madras THE HINDU in English 12 Jul 84 p 9

[Text]

NEW DELHI, July 11.

The approach paper to the Seventh Five Year Plan (1985-90), the contents of which will be discussed by Chief Ministers at a two-day meeting of the National Development Council starting here tomorrow, envisages an aggregate investment of Rs. 320,000 crores at 1984-85 prices, out of which public sector investment would be about Rs. 180,000 crores.

"The required resources", says the approach paper, "have to be mobilised in a manner which minimises dependence on external sources or on deficit financing, which has a higher inflationary potential. Tax collection can be raised even without raising rates and by widening the tax net and toning up the administration. The Plan can be based on the assumption of a 26 per cent savings rate which has already been achieved."

The paper has laid down a 12-point strategy for the implementation of the Plan: (i) decentralisation of planning and full public participation in development, (ii) maximum possible generation of productive employment, (iii) alleviation of poverty and reduction in inter-class, inter-regional and rural-urban disparities, (iv) attainment of self-sufficiency in food at higher levels of consumption, (v) higher level of social consumption, particularly in education, health, nutrition, sanitation and housing, (vi) self-reliance through export promotion and import substitution, (vii) acceleration of the voluntary adoption of the small family norm and a positive role for women in economic and social activity, (viii) reduction in infrastructure bottlenecks and shortages and improvement in capacity utilisation and productivity throughout the economy, (ix) modernisation of industry, (x)

conservation of energy and promotion of non-conventional energy sources, (xi) integration of science and technology into the mainstream of development planning and (xii) ecological and environmental conservation.

**Expenditure control:** The approach paper has laid emphasis on the enforcement of strict controls on Government consumption expenditure "restraints on elitist consumption, mobilisation of resources from the rural sector and incentives for savings." The note on the balance of payments says the Seventh Plan "has to take into account the prospect of considerably diminished inflow of concessional finance from abroad, sizable debt service obligation and a global environment where interest rates are expected to remain high with only limited possibilities of acceleration in the volume of export growth. It would therefore be necessary to lay down priorities in the matter of imports."

The core of the "anti-poverty programmes" to be implemented during the Seventh Plan "lies in the enlargement of income-generating assets of those who have none of these. Hence redistributive land reforms and security of tenure to the informal tenants have to be directly integrated with the anti-poverty package of programmes although in the case of land reforms a good deal of potential for redistribution of surplus land still needs to be realised."

**Employment:** The approach paper points out that the growth in employment can be sustained only if it is productive and adds to output and incomes on a continuing basis. "The strategy of the Seventh Plan will be to generate productive employment through increases in cropping intensity and the extension of new agricultural technologies to low productivity regions and small farmers through



measures to make the rural development programmes more effective in the creation of productive assets through expansion of labour intensive construction activities for providing housing and urban amenities, and through changes in the level and pattern of industrial growth. Programmes and policies have to be oriented to providing jobs to everyone seeking it and in every sector. Priority has to be given to the activities which contribute most effectively for this purpose. The growth in employment will be non-inflationary. Agricultural production, particularly food production, has increased significantly. Improvements in agricultural production will result in itself in increases in rural employment."

The paper has placed importance on giving a higher priority to the attainment of self-sufficiency in areas such as oilseed production, petroleum products and a whole range of items which account for larger imports or where the content of skilled labour is high. "The Seventh Plan has to lay emphasis on improved utilisation of capacity by getting rid of factors responsible for the existence of idle capacities, continued, regular and intensive monitoring of all major public sector enterprises. Projects adding to infrastructure capacity have to adhere to time schedules laid down and accountability has to be insisted upon. Along with capacity utilisation and expansion it must be ensured that existing capacity is effectively maintained."

**Increasing cultivation:** The approach paper has estimated that the country's land stock can be increased by bringing 17 million hectares of cultivable waste and 20 million hectares of old and current fallows back under cultivation.

**Transport sector:** The approach paper has stressed that the priority areas in the case

of railways should be electrification of high-density routes, introduction of heavier trains of 4,500 tonnes of development of rapid handling terminals, improved maintenance facilities and installation of computer-based information systems. "In dealing with the question of accessibility and opening of areas for development, alternative models of transport which could be economical should be considered."

Commenting on metropolitan transport, the paper said provision of public transport in the metropolitan cities and development of metropolitan transport using electricity-based systems to conserve liquid fuels and to reduce pollution have to be emphasised. The transport needs of towns approaching the category of metropolitan cities and the role of transport in development and land use planning have to be examined and taken into account. The transport sector is a major user of energy and it is necessary to emphasise the development of energy-efficient modes. The use of diesel oil for transportation has to be reduced to the minimum by the optimum use of railways for long distance transportation.

With regard to investment, priority should be given for completion of essential on-going schemes which add to the transport capacity and provision should be made first for completing these schemes before new schemes can be taken up. In addition, emphasis has to be given for investment for replacement and maintenance and to improving the productivity of the existing assets through technology upgradation and modernisation. Improvements in project planning and execution are very necessary. Detailed project reports must be prepared before clearance and acquisition of assets programmed according to long-range requirements."

## KASHMIR BRINGS ROLE OF GOVERNORS INTO QUESTION

Madras THE HINDU in English 8 Jul 84 p 2

[Article by G. K. Reddy]

[Text] ONCE again there is a heated public debate on the role of Governors under the Constitution, since it has become a subject of renewed controversy in the wake of what Mr. Jagmohan has done in Jammu and Kashmir. It has raised some awkward questions of both political propriety and constitutional rectitude, because the Governor has seemingly acted in this case more as a pro-consul of the Union Government than an agent of the President, using his discretion in the true spirit of his oath of office.

Mr. Jagmohan was indiscreet in first flying to Delhi for consultations which in effect amounts to seeking instructions, then allowing the defectors to assemble secretly at Raj Bhavan at night presumably with his knowledge, thereafter confronting a surprised and shaken Dr. Farooq Abdullah with a fait accompli and finally dismissing him with indecent haste in the course of the day and swearing in Mr. G. M. Shah before sunset—with all the ugly overtones of a contrived constitutional coup to get rid of a recalcitrant and often defiant Chief Minister who was not easily amenable to Central advice.

The point is that the same objective of edging out Dr. Abdullah—if, indeed, this had to be done in the larger national interest—could have been accomplished in a less ham-handed manner and with greater sophistication with all the appearance of respect for constitutional conventions.

#### Cavalier Behaviour

It would be equally wrong to jump to the reverse conclusion that Dr. Abdullah has become an innocent victim of a diabolical political conspiracy engineered from Delhi, since he had unwittingly rendered himself vulnerable to Central intervention by persisting in his cavalier behaviour and playing for high stakes, imagining that he could get away with his defiant attitude.

As a product of the new dynastic democracy in India, he thought he could function arbitrarily as his late father did without his charisma and profound influence over the Kashmiri people. The family squabbles and pinpricks from the Congress (I) compelled him to seek allies elsewhere to the point of entering into an electoral alliance with pro-Pakistani elements to outwit his local opponents owing their inspiration to Delhi.

The young Abdullah thus placed himself needlessly on a collision course with the Centre and, what was worse in the opinion of Mrs. Gandhi's Congress, he lined up with other opposition parties in the country to pose a combined challenge to her rule at the Centre.

The Congress (I) was certainly entitled to play politics in Kashmir to split the National Conference and dislodge Dr. Abdullah from power by adhering to the normal rules of the game, without bringing the Governor into the picture beyond a point. In transferring Mr. B. K. Nehru and installing Mr. Jagmohan, the Centre unnecessarily created the impression that it had deliberately chosen a hatchet man who could be relied upon to engineer Dr. Abdullah's exit by encouraging defections.

#### Grace Appointments

The real issue is not whether Dr. Abdullah brought about his own downfall by over-reaching himself, but whether the Governor acted with propriety in the manner in which he dismissed him. The role of Mr. Jagmohan in this sordid affair raises, in turn some bigger questions about the real role of a Governor under the Constitution.

The earlier norms set for selection of eminent persons for governorships have downgraded over the years and reduced to pure and simple grace and favour appointments for providing sinecures to unwanted politicians and retired civil servants.

A worse thing that happened was the violation of the old convention that those who were appointed Governors would give up active politics, resign from their parties and retire as elder statesmen without seeking any further favour from the Government. Many of them have been permitted to reenter politics to become Ministers or take up other appointments with the result that during their tenure as Governors they have tended to subserve the interests of the ruling party at the Centre that is in a position to reward them. The whole institution of governorship has been reduced into a subordinate office of the Centre, with the incumbents ever willing to do what they were told to do, or expected to do, in different situations without always exercising their independent judgment.

#### Lure of Good Living

There have no doubt been some honourable exceptions of Governors, both politicians and civil servants, using their discretion prudently without treading on the corns of the Centre. They have been able to conduct themselves with great dignity, inspiring confidence in their respective States and wielding considerable influence in Delhi, so that their views received due attention in dealing with difficult situations. The majority of them have, however, tended to play safe by acting as proxies of the Centre without exercising their discretion or letting those in power in Delhi have the benefit of their independent advice.

As a result, there has been rapid erosion of both the prestige and importance of the office of Governor, which has now been reduced to such an unattractive

and unsought after sinecure that one of the status symbols of an aspiring politician today is to let others know that he or she has been considered or offered a governorship but declined it. But it is still keenly sought after by retired service chiefs and senior civil servants who cannot find attractive berths for themselves in international organisations and because of the lure of good living in Raj Bhavans even in these days of austerity and poor allowances.

### Unhealth Precedents

Unfortunately, a lot of unhealthy exceptions were made in Nehru's time to accommodate important people even if it meant violating established conventions. After he served as Governor of West Bengal and then as Governor-General of India Rajaji, was made Home Minister in the Union Cabinet before he became Chief Minister of Madras. The then Comptroller and Auditor-General, Narahari Rao, was appointed India's Executive Director on the World Bank. The late M. C. Chagla, a former Chief Justice of Bombay High Court, was made an Ambassador and later included in the Union Cabinet and more recently a governorship was given to a chairman of the Union Public Service Commission on his retirement.

A more shocking example was the permission given to Mr. Morarji Desai to be sworn in as Chief Minister of the old Bombay State for a second term even after he was defeated in the elections. An equally bad case was that Mr. B. C. Roy was allowed to retain six of his 11 ministerial colleagues, after they were defeated in the same general elections.

The precipitous decline of all established democratic norms and administrative conventions did not stop with the frequent resort to such exceptions to accommodate favourites in pivotal positions. The Janata Government did not behave any better when Mr. Charan Singh dismissed Congress Governments in nine States in 1977 even without the formality of seeking the advice of the Governors, and the Congress (I) did no better on Mrs. Gandhi's return to power in 1980.

The Governors were utilised on several other occasions by the Centre to get rid of unwanted Chief Ministers including a few belonging to the ruling party itself when they were suspected to be suffering from shades of Bonapartism, as it happened in the case of Mr. H. N. Bahuguna, when a special emissary was sent to Kiev to get Giri's signature while he was on a State visit to the Soviet Union.

### Manipulations

The decline of the prestige and calibre of State governments is attributable at least in part to the appointment of incompetent Governors and imposition of unwanted Chief Ministers by the same Central caucus controlling the party and the Government. Many of these appointments made in the name of the Prime Minister are actually manipulated by those operating from behind the scenes who manage to secure her approval by putting forward their own choices as the only appropriate ones available in that particular context.

An element of extra-constitutionality has been allowed to creep into the functioning of the political system, blurring the dividing lines between governmental,



party and family interest, as it happened in Kashmir with Sheikh Abdullah nominating his son as his successor and the anointed heir playing havoc to hang on to power at any cost.

The doctrine of a committed bureaucracy introduced by Mrs. Gandhi herself in the early Seventies at the Centre has been extended to the States by several Chief Ministers who have demoralised the civil services. The Governors who are supposed to be the constitutional heads of the States have not been able to protect the interest of honest civil servants, since they themselves have been taking a subjective view of everything done by the Chief Ministers on the basis of their relationship with the Centre.

What then is the way out of this deplorable situation? It is not enough to review or even revise Centre State relations, to provide greater autonomy to the States, if those at the helm of affairs in the States, whether it is appointed Governors or elected Chief Ministers, do not display enough respect for constitutional procedures and are inclined to be swayed by political or personal considerations.

The institutional damage that has been done to Indian democracy under pressure of party splits and electoral exigencies has to be undone before anything else can be done to remove these distortions and restore the old values

The new political culture, or sub-culture, that is warping the minds of the country's leaders and colouring their attitudes is only a sad reflection of the sub-nationalism that has been promoted in recent years by regional, religious and linguistic influences. The Indian polity today suffers from many such negative factors which cannot be removed without improving the quality of political leadership and calibre of men in pivotal positions.

It is not difficult to evolve proper conventions for the choice of a president and vice president of great eminence who can rise above the rut of narrow considerations to ensure the largest measure of support for them. Similarly, a conscious attempt should be made to appoint the best available men and women as governors of States who will be able to command the respect of the people.

At the political level, the Centre has to stop imposing nominated Chief Ministers on States and tolerating corruption in higher places. Those who are entrusted with key portfolios at the Centre have to be men of stature within the ruling party, not just favourites of the Prime Minister with little or no following of their own. It is an insult to the electorate that has voted against a party candidate for whatever reason to be inducted into the Union or State Cabinet whatever the compelling circumstances for it.

#### **Semi-unitary Set-up**

As a Union of States, India is not a loose federation but a semi-unitary set up with a strong Centre. The framers of the Constitution provided for a strong Centre, in the wake of partition, in the belief that the country needed a Union Government with concurrent jurisdiction extending to many spheres of national importance, apart from foreign affairs, defence and communication. But a strong



Centre does not mean any arbitrary Centre bent on ignoring or over-riding the autonomy of the States.

The Constitution with all its checks and balances cannot work satisfactorily unless the Centre is able to exercise restraint and tolerance invoking its powers of intervention only in exceptional circumstances when it can count upon the support of the entire nation, not in a capricious way in pursuit of divisive party politics or for settling old scores.

As a sub-continental country with a population of over 700 millions, India has to base its unity on its diversity not on imposed uniformity. It is a country in constant flux because of the many conflicts of religion and region with many sub-national pressures working at cross-purpose, while the bulk of the people are dissatisfied with the non-fulfilment of their rising expectations.

It is not enough for the Congress (I) to say that Mrs. Gandhi is the only leader who can hold the country together in these difficult times. She should be able to provide adequate reassurance that, acceptable as she is to all sections of Indian society, she has this capacity to restore the people's faith in the country's political dispensation, without playing favourites and dividing the nation. And this in brief is the real challenge that is facing India at present.

CSO: 4600/1027

## ANALYST NOTES CONCERN OVER SOUTH ASIAN RELATIONS

Madras THE HINDU in English 8 Jul 84 p 8

[Article by G. K. Reddy]

[Text] NEW DELHI, July 7. The Foreign Ministers of the South Asian seven--India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan and Maldives--are meeting in Male for three days from Monday to prepare the ground for a summit conference of their heads of Government to provide the necessary impetus for increased regional economic cooperation.

From India's point of view, the meeting in Male offers a timely opportunity for setting the right tone for its new neighbourhood diplomacy to strengthen the country's bilateral relations with the other six nations of the region.

Amidst its increasing preoccupation with domestic developments, India has not lately been paying much attention to foreign affairs, including the problems of the non-aligned movement. The recent events in Punjab and Kashmir have demonstrated the country's increasing vulnerability to foreign intervention, while the happenings in Assam have posed a different kind of threat of how a sensitive border region can be destabilised through illegal immigration.

Equally worrisome: The events in Sri Lanka have been causing equal concern to India, since any further exacerbation of the ethnic tensions in the island could embitter feelings in Tamil Nadu, providing an excuse to political malcontents to propagate the theory that the northern-based Central Government was not being sensitive enough to southern sentiments. It is a disturbing possibility that the Central leadership can ill-afford to ignore, especially on the eve of parliamentary elections.

The relations with Nepal, too, have been rather uneven, with recurring controversies over issues that could be settled quite easily with mutual confidence. The China factor continues to complicate the bilateral relationship, adding to the prevailing misunderstandings about each other's intentions.

Nepal's attempt to put a squeeze on the Indian presence and influence in the kingdom has already soured the relations, threatening to create an open rift between the two countries which have so much to gain through increased cooperation.

The External Affairs Minister, Mr. P. V. Narashimha Rao, and the Foreign Secretary, Mr. M. K. Rasgotra, will have occasion to talk of such bilateral problems with their counterparts from other South Asian countries when they spend three days together in Maldives. The Pakistan Foreign Minister, Mr. Yaqub Ali Khan, who will be travelling with Mr. Narashimha Rao by the same plane, will certainly try to utilise the new warmth generated in India by his Government's helpful attitude during the latest hijacking episode to soothe India's ruffled feelings over Pakistan's alleged involvement in the Punjab events.

**Ties with Pakistan:** Though all such sins cannot be washed off overnight with one wave of sentimentality, the mere fact that the soured relationship had been symbolically sweetened to a slight extent by this single episode would help to set the tone for the series of Indo-Pakistani exchanges scheduled for the next few weeks, culminating in a meeting of the joint committee in Delhi. After the White Paper on Punjab has been published, a conscious attempt will be made to treat the alleged Pakistani complicity in the happenings in this border State as a thing of the past, without letting it become a major hurdle to the process of normalisation.

The Foreign Minister of Nepal, who will be flying back from Male with Mr. Narasimha Rao in the Indian aircraft has been invited to stay in Delhi for two days on an official visit to discuss some of the Indo-Nepalese problems. Apart from the exasperating delays in evolving mutually agreeable procedures for just utilisation of Himalayan water resources, the Government of India is exercised over the contents of the so-called Gurung report suggesting introduction of passports and imposition of other restrictions to regulate the entry and domicile of Indians, besides curtailing cultural contacts.

No such parallel dialogue is planned with Bangladesh in the near future. But the door is being kept open for an amicable settlement of all outstanding issues, such as division of Ganga waters, the dispute over border fence construction, exchange of enclaves, demarcation of the maritime boundary and ownership of off-shore islands.

The relationship with Sri Lanka is a lot more complex because of the Tamil problem. But here again the Indian policy is to keep on persevering in its efforts to bring about an amicable solution, despite Sri Lanka's attempts to wriggle out of its earlier commitment to offer a reasonable measure of autonomy to the Tamil community in the northern region.

And the relationship with Bhutan which is by far the most cordial among all these neighboring countries has to be updated with some imaginative gestures to meet its more fundamental aspirations.

CSO: 4600/1027

## FOOD MINISTER SAYS COUNTRY'S POSITION 'COMFORTABLE'

New Delhi PATRIOT in English 12 Jul 84 p 5

## [Text]

The food position in the country is quite comfortable, with total stocks with Government agencies touching 20.7 million tonnes on 1 June, Union Food and Civil Supplies Minister Bhagwat Jha Azad said on Wednesday, reports UNI.

Addressing a meeting of the parliamentary consultative committee of his Ministry, Mr Azad said the stock position was an improvement over the previous record of 19.8 million tonnes held on 1 June, 1977.

Procurement of wheat, Mr Azad said, had already crossed nine million tonnes against last year's record of 8.3 million tonnes for the whole season. Rice procurement so far was 7.5 million tonnes, also a record.

At the same time, Mr Azad said, the demand for foodgrains, particularly wheat, had gone down this year. The monthly average distribution came down to about 1.1 million tonnes this year, from 1.35 million tonnes last year.

This showed that the open market availability of foodgrains was good this year, the Minister pointed out.

Referring to the setback in sugar production in the current year of 1983-84, the Minister said that it was mainly due to natural factors, such as drought conditions in the previous year in Maharashtra, parts of Tamilnadu, Andhra Pradesh and Karnataka and late rains in the northern region. The total sugar production in the current 1983-84 season was expected to be 5.9 million tonnes as against a record production of 8.43 million tonnes in 1981-82 and near record

production of 8.23 million tonnes in 1982-83 seasons.

However, in spite of this setback, the current year's production was higher than that of any year prior to 1981-82. This, together with the large carryover of about 4.6 million tonnes at the beginning of the season would be sufficient to meet even the highly rising demand of sugar in 1983-84, the Minister added.

Pointing out that there was a gap between the demand for and production of edible oils, Mr Azad said that during the oil year of 1983-84 (November, 1983-October, 1984), the estimated demand was about 4.5 million tonnes against the domestic availability of 3.3 million tonnes.

The gap, accentuated by the pressure from soap and allied industries was being met, as a short-term measure, by imports. However, the major thrust of the Government was to increase oilseeds production to achieve self-sufficiency in this field.

The Minister said supplies of imported edible oils to public distribution system, were being maintained at a high level to replenish the overall availability in the country.

Mr Azad said 9000 tonnes of coconut oil had also been imported to be marketed through fair price shops, and cooperative outlets in one kg packs. The prices of edible oils in the world market, being very high, the Government was incurring heavy loss.

With a view to pass on a part of the increase to the consumers, the issue price of all imported edible oils had been increased by Rs 1,000 per tonne from 24 May.

As a result of this increase and the hike in input cost between February, 1982 and now, the retail price of vanaspati had also been increased.

# COUNTERATTACK AGAINST SOVIETS IN PANJSHER VALLEY REPORTED

Tehran TEHRAN TIMES in English 26 Jul 84 p 1

[Text] NEW DELHI, (Dispatches)—Afghan guerilla leader Ahmad Shah Masoud launched his first major counterattack against Soviet troops controlling the strategic Panjshir Valley, resistance sources said Tuesday.

Casualties were high in the attack on the heavily fortified Soviet outpost at Bazarak inside the 70-mile-long (80 km) valley, the sources said.

Several guerillas reported the recent battle but were unable to provide details or the date of the raid.

Up to 20,000 Soviet and Afghan government troops backed by tanks and high-altitude bombers drove the guerillas from the Panjshir, which begins 50 miles (80 km) north of Kabul, on April 20.

Guerillas led by Masoud, 30, had repelled six previous Soviet assaults on the rugged valley, which the Islamic resistance used to stage attacks on a vital Soviet supply route.

The attack on Bazarak was the first time since April the guerillas under Masoud have dared to mount more than minor harassment operations against the Soviets occupying of their former stronghold.

Diplomats had reported earlier that Masoud withdrew most of his guerilla fighters in the face of the spring assault but would return to confront the Soviets.

In another development, resistance sources who asked not to be identified said recent Soviet reprisal attacks on the southern city of Kandahar killed about 300 civilians.

The attacks came after guerrillas raided Soviet and Afghan government positions, destroying two tanks and killing 15 soldiers inside the city.

Other reports from Islamabad, Pakistan said Soviet occupation forces in Afghanistan have begun a new offensive south of Kabul, the capital, reportedly killing many civilians in several days of bombings according to a Western diplomat Tuesday.



According to the diplomat's report, the combined Afghan government and Soviet operation got underway in the Logar area.

Troops from the provincial capital of Ghazni were reported heading north to join up with forces moving south from Kabul, 70 miles (100 kilometers) away.

The diplomat, who spoke on condition of anonymity, said helicopter activity out of Kabul airport in the Logar direction had been heavy for several days. He added there were reports of a number of villages being bombed, causing heavy civilian losses.

He also said there were reports of heavy fighting in Kabul and that two Soviets, whom he was unable to identify were killed near the Defense Ministry on July 14.

Meanwhile, a high level of military activity was reported in the southeastern province of Paktia, bordering Pakistan, as Soviet forces continue a campaign to interdict guerilla supply lines, he said.

CSO: 4600/685

**ICO CRITICIZED FOR 'MAKING SADDAM BOLDER IN INHUMAN ACTS'**

Tehran TEHRAN TIMES in English 23 Jul 84 p 3

[Text] TEHRAN—Just as the 9-member "Peace Committee" of the Islamic Conference Organization (ICO) assigned to investigate the Iraqi imposed war, concluded its work in Jeddah, the Iraqi regime in an official statement announced that it has struck "a large marine target" in the Persian Gulf on Thursday morning, said IRNA.

Following a two-day meeting, the committee in its statement appealed to both Iran and Iraq to refrain from spreading the war in the Persian Gulf and halt attacks on oil tankers.

The Iraqi regime, which has initiated attacks on oil tankers navigating in the Persian Gulf waters, has completely ignored the request of the ICO committee and has announced its latest action in the Persian Gulf waters.

The committee's statement is completely silent on the Iraqi use of chemical warfare against the Iranian forces. However, it has urged both countries to halt attacks on residential areas.

Furthermore, the committee has made no mention of Iraq's silence towards the United Nations request concerning halt on usage of chemical warfare. It has stated that "the ICO has decided to have regular contacts with Baghdad and Tehran to find proper ways to end" the Iraqi imposed war.

The two-day session was attended by presidents of Gambia, Bangladesh and Pakistan, the PLO Chairman Yasser Arafat, the ICO Secretary General Habib Chatti foreign minister of Guinea, Malaysia and also the Senegalese ambassador to Tunisia.

In light of the previous attitudes of the ICO, the Islamic Republic of Iran has announced that the recent initiative of the organization, like those in the past, would not be fruitful.

It has also made it clear that definitely any attempt to ease tension in the region without eliminating its source, Saddam, would be doomed to failure.

The ICO committee in the past has failed to show proper reaction towards the Iraqi regime's crimes including its deployment of chemical weapons, an action which has been condemned by the world public opinion and also international circles.

Generally, the peace efforts of the ICO committee has made the Iraqi ruler bolder in his inhuman and aggressive acts.

The Islamic Republic of Iran has clarified its stance towards the committee by taking into account the above facts and also the partial nature of certain members of the committee and their statements in support of Saddam's aggressions.

CSO: 4600/687

# NATIONWIDE DEMONSTRATIONS SUPPORT WOMEN'S DRESS CODE

Tehran TEHRAN TIMES in English 26 Jul 84 pp 1, 3

[Text] TEHRAN--Demonstrations across the country have been organized yesterday to persuade people, particularly women to observe Hejab (the Islamic mode of dress) more strictly.

An IRNA report yesterday described a rally of ardent Moslem revolutionary youth, men, women and children who assembled at the Vali-Asr Square in the Central part of the capital intersecting one of the busiest highways, to listen to the speeches from a member of the Guardian's Council for the Constitution Hojjatolislam Mohammad Enami Kashani, a woman Majlis Deputy named Sister Dabbaq in the IRNA report among others and also heard messages, one of which was from the Moslem combatants at the fronts.

The rallies according to IRNA are believed to have been organized by the High Council for Islamic Propagation Organisation.

The demonstrators were strong in their condemnation of those whom they said were "trampling underfoot Islamic values regardless of the ideals and aspirations of the Moslem combatants at the fronts and what they were sacrificing their lives for by not observing the proper modes of Islamic dress (mainly the Hejab for women and prescribed modes for men) and in doing this aligning themselves with the policies of the enemies who seek to undermine Islam and its divine values."

In their slogans the demonstrators called on behejabis (those not complying with hejab) to "let go of the US and return to the lap of Islam."

After the marchers arrived at Tehran's Vali-Asr Square a message from the family members of the martyrs, missing combatants and the handicapped fighters was read and later one of Tehran's deputies to the Islamic Consultative Assembly, Monireh Gorgi, shed light on the issue of bihejabi (non-observance of Islamic mode of dressing) and its roots.

Next a message from the Moslem combatants now in the battle fronts was read in which the warriors of Islam called on those who deliberately mocked Islamic values "to learn from the fate of the anti-Islamic factions and come to their sense and respect the nation's Islamic ideals before it is too late."

In continuation, another Tehran deputy in the Majlis, Sister Dabbaq spoke to the demonstrators. Condemning the issue of bihejab, she invited the people to remain patient and let judicial officials handle the case against the offenders."

Her address was followed by a speech of a member of the Guardian's Council, for the Constitution Hojjatoleslam Muhammad Emami Kashani who discussed the issue of hejab from the view point of Islamic literature and the Holy Qoran.

The ceremony was concluded when a 6-article resolution was read to the audience who voiced their approval of the contents of the resolution by shouting slogans of Alla-o-Akbar (God is Great).

So far there have been reports from IRNA correspondents on similar gatherings in Qom, Zanzan, Khorramabad, Kerman, Isfahan, Hamadan, Shiraz, Mashhad, Tabriz, and Ilam.

Banners and slogans called on western-influenced individuals to respect the beliefs of the Moslem majority and not to violate the Islamic laws on Islamic attire.

CSO: 4600/686



**SUNNI ULEMA FORBID LINKS WITH KURDISH REBELS**

Tehran TEHRAN TIMES in English 21 Jul 84 p 2

[Text] MAHABAD—Sunni Ulama in northwestern Iran declared 'Haram' (forbidden) any links or cooperation with the counterrevolutionary groups in the region, in a statement published here. It also declared Wajib (religious obligation) support for the Islamic government in Iran.

Sunni Ulama from West Azarbaijan and Kurdistan provinces issued the declaration after a two-day seminar here.

"We declare haram any link or even cooperation with the outlawed (Kurdish) Democratic Party (KDP) and the Communist Kumaleh Party...which have turned from Islam to Blasphemy and we request all Moslem people to refrain from having any relationship with them," he said.

It also condemned the two groups for their Socialist and Marxist ideas, close relations with Iraq, and blocking development activities in northwestern Iran.

"Based on our legal and religious duty, we urge (the government) to continue purging operations until the total elimination of the counterrevolutionaries and the establishment of complete security in the region."

It also condemned the conspiracies of the United States, the Soviet Union and France for their military and financial support for the Iraqi regime which is encouraging Saddam "to fight against Islam, the Qur'an and the Islamic Republic of Iran."

While renewing their support for Imam Khomeini and Ayatollah Hussein Ali Montazeri, they called for unity among all Moslems and rejected nationalist tendencies among Moslems.

"Considering the bitter experience of discord among Moslems, we call upon all Moslem brothers and sisters of any tribe, race or language to strive for the strengthening of unity among Shiite and Sunni Moslems," it said.

CSO: 4600/683

# JAPAN LAUNCHES MECHANIZED RICE GROWING PROJECT

Tehran TEHRAN TIMES in English 24 Jul 84 p 2

[Text] THERAN--Iran and Japan will cooperate for the expansion of what IRNA termed as "under-rice cultivation land."

An agreement was recently signed between Japanese institute for international cooperation, and cultivation deputy at Iran's agriculture ministry, for the purpose, according to IRNA.

The relevant project will be implemented in an area of 100-110 thousand hectares of land around Lar Dam, north east of Tehran, the report said.

Cultivation deputy of agriculture ministry, Jalal Rasoulof, told IRNA Monday that Iran and Japan would conduct research cooperation for the expansion of mechanized rice cultivation.

Contractually, he added, Japan is expected to study the project within two years and would inform Iran of the results on due time.

The first Letter of Understanding was signed between the two countries three months ago, he said adding that the first Japanese expert group will arrive in Tehran within the next two months.

He noted that this was the first agricultural cooperation between the two countries after the victory of the Islamic Revolution.

Rasoulof stressed that this new measure could pave the way for further future cooperation in this respect.

He hoped that similar measures would be taken in areas suitable for rice cultivation to increase rice production in the country.

Meanwhile, the Japanese ambassador tooTehran, Yutaka Nomura, met and conferred with the head of the Martyrs Foundation and Imam Khomeini's representative to the foundation, Hojjatolealam Makdi Karrubi, Sunday afternoon.

The Japanese ambassador praised the great responsibility of the foundation and talked about a Japanese mother converted to Islam, whose only son was martyred in warfronts.

The Japanese ambassador hoped that the Iraqi imposed war would "end soon and peace and stability would replace it."

Hojjatolislam Karrubi referred to support of the Superpower for the Iraqi regime and added that if they ceased their support, the Iraqi ruler would fall and peace would be established. He also explained about the services provided by the foundations.

CSO: 5600/684

# INCREASE IN NON-OIL EXPORTS REPORTED

Tehran KAYHAN INTERNATIONAL in English 19 Jul 84 p 1

[Text] TEHRAN, July 18 (IRNA)--Iran's non-oil exports rose 29 percent last year (ended March 20, 1984) to 30.85 billion rials (\$346.7m), compared to the previous year, a deputy commerce minister said.

He said a committee comprising various ministries had met to balance the country's trade deficit with West Germany. On trade with Japan, he said no specific limitation had been announced on imports from Japan since Iran presently had a trade surplus with that country.

He also said trade offices would be created in six countries to expand exports and control the quality and quantity of imported goods. The six countries are Turkey, West Germany, Britain, India, Japan and Abu Dhabi.

Khosrow-Taj, the Commerce Ministry's foreign trade deputy, told IRNA in an interview today that 46 percent of last year's non-oil exports consisted of carpets and pistachios.

Along with the government's policy to encourage exports, he said the two items were a big factor in putting an end to the decline of non-oil exports in recent years.

In terms of weight, last year's non-oil exports showed an increase of 38 percent to total 224,348 tons compared to the previous year.

On the decline of imports this year, he said a new foreign exchange allowance was necessary because of the extraordinary situation in the Persian Gulf and the large pile-up of goods at the ports.

He explained that the rise in imports last year was because of stockpiling of certain goods.

Khosrow-Taj added that 20 percent of Iran's imports were from Muslim-populated countries, eight percent from Socialist countries and the remaining 72 percent from other countries.

The economic objectives of Iran's trade policies was to establish an Islamic Common Market, eliminate great dependency on oil exports and acquire necessary technology, among others, he said.

"The political objectives of the Islamic Republic of Iran in its foreign trade is to strengthen and help the political independence of Muslim and deprived nations of the world," he said.

In the past six months, he said, major economic contracts had been signed with Pakistan, Turkey, India, Hungary, Syria, Poland, Spain and China and some other countries.

However, Khosrow-Taj said the ministry had no clear-cut guidelines since the Bill on Foreign Trade Nationalization had not yet been approved by the Majlis after more than three years when it was initially prepared.

Unless the bill is approved, existing problems facing the ministry could only be solved temporarily, he said.

CSO: 4600/675



## BRIEFS

**ARRIVAL OF GDR TEAM--TEHRAN--**A cultural delegation of the German Democratic Republic's higher education ministry arrived in Tehran yesterday morning. The visit is made following talks between officials of Iranian ministry of culture and higher education and GDR's cultural officials and is aimed at exchanging views on technical, scientific and university affairs. During its stay in Iran the German delegation, headed by Professor Garscha, GDR's deputy higher education minister, would meet and hold talks with cultural officials of the Islamic Republic. Professor Garscha told reporters at Tehran's Mehrabad airport that his visit to Iran was made with an objective to "further become acquainted with the Islamic Revolution and university activities in Iran," reported IRNA. He said that since the policy of his country was based on cooperation with all revolutionary states, he hoped the two sides would achieve agreements for the exchange of students at university level. A later IRNA report said cultural delegation of German Democratic Republic (GDR), headed by Professor Garscha, GDR's deputy higher education minister, yesterday met and conferred with Dr. Manuchehr Mohammadi, deputy of students affairs of culture and higher education ministry of Iran. The two officials discussed mutual cooperation in cultural affairs areas, during their meeting. [Text] [Tehran TEHRAN TIMES in English 24 Jul 84 p 2]

**MEETING WITH TANZANIAN REPRESENTATIVE--TEHRAN, July 17, IRNA--**The Iranian ambassador to Tanzania, Br. Lavasani, met and held talks with Tanzanian speaker of National Assembly Adam Sapi Mkwawa and outlined the Islamic Republic's stance on the Iraqi-imposed war and towards superpowers' aggression. Outlining the Islamic Republic's stance vis-a-vis the Iraqi-imposed war and superpowers' aggression Lavasani stressed for further expansion of good relations between Iran and Tanzania. Tanzanian speaker in reply hoped that he would have the opportunity to visit Iran and see for himself the developments achieved by the Islamic Republic. [Text] [Tehran KAYHAN INTERNATIONAL in English 18 Jul 84 p 2]

**INDIAN JEEPS PURCHASE--NEW DELHI, July 18 (IRNA)--**Iran is to receive 10,000 Indian manufactured 'Mahindra' Jeeps following an agreement signed between the Islamic Republic and an Indian firm in Tehran late last week. In a report, the United News of India (UNI) said that according to the Rps. 410-million agreement, the jeeps would be delivered to Iran in December. Previously, the Islamic Republic had stopped purchasing Mahindra jeeps due to the low quality of its engine. But, during the recent visit to Iran's Commerce Minister Hassan Abedi Jaafari to India, officials of the Indian firm promised to deliver jeeps with more powerful engines which could match international standards. [Text] [Tehran KAYHAN INTERNATIONAL in English 19 Jul 84 p 2]

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